



NAVAL POSTGRADUATE SCHOOL

MONTEREY, CALIFORNIA

THESIS

**PROSPECTS FOR IMPROVING THE RESOURCE
ALLOCATION PROCESS FOR NATIONAL SECURITY IN
JAMAICA:**

A COMPARATIVE STUDY

by

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June 2004

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REPORT DOCUMENTATION PAGE			<i>Form Approved OMB No. 0704-0188</i>	
Public reporting burden for this collection of information is estimated to average 1 hour per response, including the time for reviewing instruction, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Washington headquarters Services, Directorate for Information Operations and Reports, 1215 Jefferson Davis Highway, Suite 1204, Arlington, VA 22202-4302, and to the Office of Management and Budget, Paperwork Reduction Project (0704-0188) Washington DC 20503.				
1. AGENCY USE ONLY (Leave blank)		2. REPORT DATE June 2004	3. REPORT TYPE AND DATES COVERED Master's Thesis	
4. TITLE AND SUBTITLE: Prospects for Improving the Resource Allocation Process for National Security in Jamaica: A Comparative Study			5. FUNDING NUMBERS	
6. AUTHOR(S) Andrew Fitzgerald Sewell				
7. PERFORMING ORGANIZATION NAME(S) AND ADDRESS(ES) Naval Postgraduate School Monterey, CA 93943-5000			8. PERFORMING ORGANIZATION REPORT NUMBER	
9. SPONSORING /MONITORING AGENCY NAME(S) AND ADDRESS(ES) N/A			10. SPONSORING/MONITORING AGENCY REPORT NUMBER	
11. SUPPLEMENTARY NOTES The views expressed in this thesis are those of the author and do not reflect the official policy or position of the Department of Defense or the U.S. Government.				
12a. DISTRIBUTION / AVAILABILITY STATEMENT Approved for public release; distribution is unlimited			12b. DISTRIBUTION CODE	
13. ABSTRACT (maximum 200 words) The identification, selection and employment of better resource allocation models or practices is the aim of this research. As nations seek to employ their resources in a more efficient manner while deriving more effective outputs, those elected to public office must be willing to involve other members of the society in their decision-making. National security is one such area that is in need of a shared vision if it is to achieve the desired results. This paper examines the resource allocation process for national security in Jamaica. The purpose of this study is to establish whether the current process is adequate for addressing this aspect of the country's expenditure, as it impacts upon every citizen and every other area of the nation's affairs. In establishing whether the Jamaican model is adequate, a study of the processes used in three developed countries, namely Canada, the United Kingdom, and the United States is done with a view of identifying the strengths and weaknesses of each process. The understanding of best practices in the field of national security is important, since after all, foreign trade and hence economic prosperity are more likely to be associated with nations that create secure environments. How much to allocate to defense and the consideration of all other viable alternatives is crucial. Only then can the nation look objectively at its unique situation.				
14. SUBJECT TERMS Jamaica, Resource Allocation Process, Decision Making			15. NUMBER OF PAGES 129	
			16. PRICE CODE	
17. SECURITY CLASSIFICATION OF REPORT Unclassified	18. SECURITY CLASSIFICATION OF THIS PAGE Unclassified	19. SECURITY CLASSIFICATION OF ABSTRACT Unclassified	20. LIMITATION OF ABSTRACT UL	

NSN 7540-01-280-5500

Standard Form 298 (Rev. 2-89)
Prescribed by ANSI Std. Z39-18

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FOR NATIONAL SECURITY IN JAMAICA:
A COMPARATIVE STUDY**

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MASTER OF BUSINESS ADMINISTRATION

from the

**NAVAL POSTGRADUATE SCHOOL
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ABSTRACT

The identification, selection and employment of better resource allocation models or practices is the aim of this research. As nations seek to employ their resources in a more efficient manner while deriving more effective outputs, those elected to public office must be willing to involve other members of the society in their decision-making. National security is one such area that is in need of a shared vision if it is to achieve the desired results.

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The understanding of best practices in the field of national security is important, since after all, foreign trade and hence economic prosperity are more likely to be associated with nations that create secure environments. How much to allocate to defense and the consideration of all other viable alternatives is crucial. Only then can the nation look objectively at its unique situation.

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ACKNOWLEDGMENTS

Our Knowledge springs from two main sources in the mind, the first of which is the faculty or power of receiving representations; the second is the power of cognizing by means of these representations.

Through the first an object is given to us; through the second, it is, in relation to the representation, thought. Intuition and conceptions constitute, therefore, the elements of all our knowledge, so that neither conceptions without an intuition in some way corresponding to them, nor intuition without conceptions, can afford us a cognition.

Immanuel Kant (1724-1804), The Critique of Pure Reason

I would first of all like to thank the Governments of the United States and Jamaica who through their continuing diplomatic relations have facilitated this course of study at the Naval Postgraduate School.

To the administration, faculty, staff, and particularly the International Programs Office, your hospitality, accommodation, guidance and encouragement has been appreciated.

Special thanks, to my thesis advisors, Professors McNab and Frederiksen who facilitated and supported the selection of a topic that would be of much value to my country. To Jaimi and Nancy who had to read this thesis several times and made numerous recommendations for its improvement, I also wish to express my profound gratitude.

Finally to my family, who thoroughly enjoyed Monterey, thanks for your company and support over the period of study. To my mother who laid the foundation as only a strong no nonsense Jamaican woman could, thanks for your unselfish guidance to the hundreds of other children and myself that you have taught in Jamaica, the UK and the US. May we all continue to make a positive contribution to this world.

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I. INTRODUCTION

A. MOTIVATION

On December 1, 2002, the Honorable Prime Minister of Jamaica, Percival J. Paterson, argued that society seek to destroy criminal elements lest they destroy society first.¹ These remarks were recently echoed by the Minister of National Security of Jamaica, Peter Phillips, who spoke of the threat of Narco-trafficking to the very survival of the nation state.² Yet, while significant threats appear to exist to the foundations of the Jamaican civil society, those at greatest risk, the public, still appear to be shut out of the process of determining what resources are to be allocated for national security.³

If these threats exist, the involvement of the public in the resource allocation process might improve the linkage between elements of the national security apparatus and the public. External debt service, for example, consumes a significant percentage of current revenues: approximately sixty-nine percent (69%) of annual revenues for 2004. With such significant resource constraints, one wonders how might resources allocated to national security be used more efficiently and effectively. Finally, one might also ask whether increased public participation in the resource allocation process would result in greater support for new sources of funding to be identified to specifically enhance national security activities.

B. THESIS

In this thesis, the national security resource allocation process in Jamaica is examined and it is argued that significant reforms are necessary in the face of the emerging threats facing the nation. In particular, the national security environment in Jamaica will be identified and the gaps between existing capabilities and emerging threats

¹ Ian Boyne, “*Crisis in Crime. Can we Get a Grip?*” The Sunday Gleaner, (Kingston, Jamaica), 24 August 2003 [newspaper on-line]; at <http://www.jamaica-gleaner.com/gleaner/20030824/focus/focus1.html>; Internet; accessed 15 January 2004.

² Earl Moxam, “*A Major Threat, Drug Lords Destabilising Jamaica – Phillips*” The Sunday Gleaner (Kingston, Jamaica) 14 March 2004 [newspaper on-line]; available from <http://www.jamaica-gleaner.com/gleaner/20040314/lead/lead1.html>; Internet; accessed 14 March 2004.

³ The Report of the National Committee on Crime and Violence tabled in Parliament in June 2002 was the latest of the many studies that have occurred in recent times at the behest of the Government of Jamaica. The report advanced that part of the solution to improving national security would be to accept that “*A way must be found to engage civil society on the basis of its own self-interest and participation.*”

highlighted. It is then discussed whether the current resource allocation process is sufficient to, first, improve public participation and second, counter these emerging threats in the future. The experiences of selected democratic countries are surveyed to highlight the strengths and weaknesses of the Jamaican system and to suggest avenues for its improvement.

The rest of this chapter is structured as follows. The next section briefly discusses the background of resource allocation for national security in Jamaica. This is followed by a more in-depth look at the purpose for this course of research. Finally, the chapter discusses the structure of the remaining chapters.

C. BACKGROUND

History is replete with many writings as to the value to be gained by a state by using its military. The facilitation of international trade under the umbrella of globalization has meant that today often the main role of the military of a nation has shifted to protect its foreign policy interests. Trade partners are normally selected from those other nations who share similar beliefs and values. International trade thrives in countries where capital is considered safe by investors. In other words, trade is most vibrant where free markets exist. Free markets are often associated with nations that practice a democratic type of rule, i.e. have an environment perceived to be safe from a national security perspective.

Terrorism, narco-trafficking, corruption and widespread epidemics are disadvantageous to an environment meant to facilitate international trade. They all significantly affect the presence and maintenance of a secure and stable environment necessary for the injection of foreign direct capital, a critical input needed for the economic development and growth of a society. In fact, this point is re-enforced by the White Paper on International Development, “Eliminating *World Poverty*” (1997), which recognized that sustained development and poverty elimination within a nation was only possible when security was present and effective.

Cooper, in his contribution to *Defense and Consensus*, advances that two of the most important choices that modern democracies have to make are those concerning the size of the public sector in relation to the private sector, and the distribution of resources

and expenditures between the various programs that make up the public sector. As Cooper further argues, this tradeoff in the allocation of resources between public programs with definite and clearly desirable outputs such as schools and hospitals versus defense, is based upon several factors, the least of which is not public opinion.

The findings and observations of the 2002 Report of the National Committee On Crime and Violence in Jamaica echoed that very sentiment as its recommendations included expenditures on numerous social programs, education, housing, job creation, policing, terrorism deterrence, coastal monitoring and protection, among several others. The report also looked very closely at the reason why the many initiatives to find a long-lasting solution to the issue of the nation's security in prior years had failed. It was acknowledged that: "a way must be found to engage civil society on the basis of its own self-interest and participation". Specifically it noted that there was a:

Tendency to go for popular or politically expedient policies and programmes in preference to tough choices equal to the seriousness of the problems (lack of political will).⁴

The fact that the Minister of National Security of Jamaica, the Hon. Peter Phillips, in 2004, acknowledged that the international drug trade, fuelled mainly by Colombian traffickers presently represented a clear threat to the stability of the Jamaican state⁵, supports the concerns previously stated by the Honourable Prime Minister. Society should seek to destroy the danger before the danger destroys the society. It is of great interest to note that both of these gentlemen, who hold the offices of the Prime Minister and the Minister of National Security, should share these concerns. The democratic framework of Jamaica and specifically its Parliamentary system of government, charges them as members of the executive arm of government with the legal responsibility of introducing, ratifying and signing into law resource allocation decisions relevant to all matters concerning the state. Ultimately they have to decide and agree upon the price to pay for national security inter alia. The renown French Economist Frederic Bastiat

⁴ Report of the National Committee on Crime and Violence to the Government of Jamaica, by K. D. Knight chairman. Kingston, Jamaica, 2002, 12. Hereinafter referred to as Report of the National Committee on Crime and Violence 2002.

⁵ Moxam, "A Major Threat Drug Lords Destabilising Jamaica – Phillips."

writing in 1848 on the topic of Government,⁶ advocates that members of a society are always expecting that those elected to public office address all of the needs of the said society without raising additional taxes. His additional claims are that those in the opposition are always vocal in their disclosures that they will be able to make meaningful changes to the areas being neglected by the incumbent government. However, once they get into office they find that their prior claims are often unattainable within the framework of the said available resources. The holders of public office in Jamaica can be heartened to know that the dilemma of how to allocate the scarce resources of the nation to the satisfaction of the society is nothing new. Bastiat's rendition of his personal definition for government is now a century later still relevant. He advances that:

Government is the great fiction through which everybody endeavors to live at the expense of everybody else.⁷

Whatever the collective decisions suggested, debated and eventually ratified by the Government of Jamaica and especially in the area of resource allocation, they have to be mindful that the tradeoffs between the competing programs will be the subject of debate of the society and the interest groups therein. On the specific issue of national security, how the Jamaican society will collectively fight back and regain control of its destiny is the point (that was being) enunciated by Prime Minister Patterson: decisions will have to be made by which his government, as the incumbent policy makers and implementers, will walk the talk so as to keep in line with the committees report⁸. Decisions will have to be taken and these will be about what tradeoffs will have to be made in an era when it is projected that from every dollar of revenue to be collected from the taxpayers, sixty-nine cents will be for debt repayment for the 2004/2005 Fiscal Year. Early indications are that the society wants more spent on education, health, and social

⁶ Frederic Bastiat, *Government*, in the Works of Frederic Bastiat, 1848 [book on-line]; available from <http://bastiat.org/en/government.html>; Internet; accessed 18 April 2004.

⁷ Ibid., 3.

⁸ Report of the National Committee on Crime and Violence 2002, 12.

programs⁹, and as such deciding how much of the remaining thirty-one cents of revenue must be allocated to national security so as to make a meaningful impact on the prevailing trends should be an interesting task.

In the case of Jamaica, public opinion as to what price defense the nation is to procure has long been a topical issue. The National Task Force¹⁰ on crime chaired by the Honorable Chief Justice of Jamaica, Justice L. Wolfe, in 1993, reported that many who were interviewed by the task force were of the view that the Jamaica Defence Force (JDF) as an organization was not cost effective and as such should have the regular force significantly reduced in size and the nation rely more on the services of an enlarged reserve component. The process of designing and ultimately deciding on the issue of what portion of the nation's resources are to be allocated to national security in Jamaica will be vital part of the overall allocation of expenditures between the various programs that make up the public sector. The reality of the economic situation at this present time in Jamaica may however support Cooper's (1983) belief that a nation's security can be likened to an expenditure on insurance. The temptation for a nation to underinsure is very tempting when economic growth is low and or even none-existent he asserts.

It is true that the causes and effect of crime and violence to the Jamaican society as identified and documented by the many Task Forces and Reports over the last eleven years¹¹ has effectively covered only a significant portion of the analytical phase of problem solving. However, how Jamaica like other democratically elected states chooses to respond to its own unique situation of its many needs and few resources must be the ultimate decision of those elected to public office. Whether they choose to use rational, irrational, political and or legal models¹² so as to arrive at their decisions is their call. The 2002 National Committee's argument that the political leadership of the country must seek to create a partnership with national actors and institutions for issues concerning

⁹ Omar Anderson, "JLP Knocks allocation to Education" The Daily Gleaner , (Kingston Jamaica), 01 April 2004 [newspaper on-line]; at <http://www.jamaica-gleaner.com/gleaner/20040401/lead/lead2.html>; Internet; accessed 2 April 2004. In this article, the main political opposition party's discomfort with the government's allocation to the education field is argued.

¹⁰ Report of the National Committee on Crime and Violence 2002, 36.

¹¹ Ibid., 6.

¹² Michael Murray, *Decisions: A Comparative Critique*. Massachusetts: Pitman Publishing Inc., 1986.

national planning, development and problem solving should not be ignored. It is against that background that this study on how the decision of what amount of the nation's resources should be allocated for its security, is being done. Specifically, who should be involved and what factors should be considered by them, are questions that are also in need answers.

D. PURPOSE OF STUDY

Economic growth within a nation involves the realization of long-term plans that can undergo many changes with the passage of time. Economic development relies heavily on the ability of a nation to be productive. Productivity can only occur in a safe environment and such an environment can only be provided by the state. The long term implications of the many short term resource allocation decisions of a country such as Jamaica is an issue that will transcend many tenures of elected officials and as such requires much insight and continuity. Understanding the implications of decisions that must be made is therefore important to especially those in the society who are not a part of the government if indeed it is the survival of the State and not the incumbent government that is of importance.

The much critiqued 2003 World Bank Report entitled "Jamaica: The Road to Sustained Growth" summarizes that:

Although Jamaica faces some significant challenges in its effort to spur growth and create employment opportunities, the country's assets, including its labor force and strong social and governance indicators, help to position the country well for a future economic rebound.¹³

The fact that Jamaica was also rated as being among the top ten countries of the world for its facilitation of new investments did not auger well for those who are of the belief that it is merely doom and gloom for the economic future of the nation. The positive aspect of the 2003 country report was at the said time kept in check by its Chapters 6 and 7 which addressed in detail the impact of crime on business and what needed to be done so as to enable the country to improve its international competitiveness.

¹³ World Bank, Country Report on Jamaica, 2003 [report on-line]; at <http://web.worldbank.org/WBSITE/EXTERNAL/NEWS/0,,contentMDK:20149561~menuPK:34463~pagePK:64003015~piPK:64003012~theSitePK:4607,00.html>; Internet; accessed 19 April 2004.

It is against this background that this paper wishes to advance that the security of a nation is of vital importance to its existence. Indeed, good laws as advocated by Machiavelli are important, but of equal importance is the necessity for such laws to be enforceable. The World Bank report endorses the position that the high level of crime and violence does not facilitate economic growth and development. This has been a common finding that has been reported by the many task forces and commissions established to look into the problems that crime and violence has had on the Jamaican society over the years. The fact that they have by and large continued to identify the said problems would suggest that the energy and efforts being expended to identify the problems, are not being used to also solve the problems as identified. Many a government administration have entered and demitted office since Jamaica gained independence in 1962. This would suggest that the solution to the nations problem cannot be invested solely in those who are elected for specific terms of office. It would appear that the nation as a whole must want to enjoy the benefits of living in a peaceful environment, where the rule of law and the reasonableness of each citizen with regards to their interactions with the other can be termed as civil and being in good faith. Such a state of utopia has never existed without the presence of good arms to impose the law of the land and ultimately protect the interest of all of its citizens. National security is a public good that must be paid for by the state. The quality of security procured on behalf of the citizens is a direct reflection of the importance of the issue to those who live within a democracy. Jamaica has always remained as a democracy since it's gaining of independence in 1962. It therefore means that the present affairs of the country from a security perspective as enunciated by the Honourable Prime Minister, is one wherein the citizens have not made it their collective interest to push for a solution and have instead divested their civic responsibility to those few they have elected to office.

This paper wishes to argue that those elected to public office must ensure that they continue to act in the best interest of the nation that has so elected them. As they face increasing criticisms as to their inability to solve the problem of crime and violence they must seek to incorporate the society in collectively searching for a solution for dealing with the problem in both the short, medium and long runs. By engaging the civil society, in the spirit of democracy, they can be comforted that the hard choices that will

have to be made with regards to resource allocation will be the end result of a well thought out process. The type of participatory process that is required for a nation to collectively forge ahead on a path towards growth and prosperity can only be driven by those in a position to make a difference. Those so elected to public office can do just that.

A shared vision for national security in a nation is a must if in the final analysis an adequate amount of its resources are to be allocated to the procurement of a quality product. Those who are called upon to pay for the service, i.e. the taxpayers, would certainly want to know what is bought with their tax dollars and ultimately whether or not the intended purpose was achieved. Jamaica is by no means an old nation and as such it can benefit from the lessons of others who have been through this stage of its development and hence in hindsight can share the lessons learnt along the way. Jamaicans today generally fall into three categories. There are those who were a part of the pre-independence era and who are in charge of most aspects of the Jamaican society today and remain heavily influenced by the British way of doing things. The younger generation by way of their close proximity to the US mainland and their general embracing of the lifestyle and values of that society are more adept to embracing the American way of doing things. On the other hand there are those who are predisposed to having an opinion but who will take no firm position and hence prefer to be termed as being neutral. The experiences of those three countries to which Jamaicans like to relate, often by way of embracing their way of life and teachings, will be used to advance the idea that national security is the collective responsibility of all its citizens.

E. STRUCTURE OF THESIS

In Chapter II, the Jamaican budget allocation process (by way of the Parliamentary Democracy process) is presented. The various steps start with the invitation for budget submissions from the Ministry of Finance and go through to the tabling of estimates and the eventual allocation of resources are presented. The role of the Jamaica Defence Force in its preparation and submission of its annual budget through the Ministry of National Security is also discussed. Thereafter the results of the allocation process over the period 1990-2003 (with regards to the allocations for the JDF) will be examined for any trends.

Chapter III looks specifically at different resource allocation processes in the UK, US, and Canada, countries with which Jamaica has had long standing diplomatic relationships. These processes use both the parliamentary democracy systems (United Kingdom and Canada) and the Congressional process (United States) and are discussed from a national perspective. Thereafter, the roles of the various militaries in the resource allocation processes are also discussed.

Exactly how the Jamaican method of resource allocation for national security compares to those of the other three countries discussed in Chapter III is the main focus of Chapter IV. The theoretical approach to budgeting in a democracy for national security is discussed in depth in this chapter. The main emphasis of the chapter is that of looking at how all the systems and process discussed in Chapters II and III compare to the theory and each other.

Chapter V looks at the prospects for developing a workable model for resource allocation in Jamaica. Specifically we discuss whether the evidence supports that (a) the present model employed by Jamaica be retained as is, (b) retained with some minor modifications or (c) whether it should be completely revamped. The peculiarity of the Jamaican environment is taken into account in conjunction with the theories and findings and studies made mention of in the previous chapters. The similarities and or differences identified are used to determine what value if any can be had from them. Chapter VI concludes the analysis and summarizes the previous ones.

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II. THE BUDGET PROCESS IN JAMAICA

A. INTRODUCTION

This chapter presents an overview of the annual budget process that is used in Jamaica for the purpose of making resource allocation decisions by the government. It then specifically looks at the process involved for the allocation of resources for the security of the nation. It approaches it from the perspective of showing how security in Jamaica is managed under one arm of the government and how the allocation of resources to protect the nation state from internal disorder and external threats are collectively assigned. The chapter then focuses on that aspect of the nation's security that is assigned primarily to the Jamaica Defence Force (JDF), that of protecting the nation from external threats. An in depth look at the amount of the nations resources that has been allocated for the execution of this task is then made and that examination includes both a general historical review and specific review of the period 1990 through to 2003. Such an approach is taken so as to present and then comment on the trend that is observed. The intent is that of commenting on whether or not the trend observed supports the thesis that because of a low level of involvement of other persons in the Jamaican society in the resource allocation process for national security, those elected to public office over the years have not given that particular area of their responsibility the type of involvement and support it needs.

Since Jamaica gained independence in 1962, several new government Ministries have been added (for a total of sixteen), leading to many more stakeholders and interest groups calling on government to satisfy their needs. Ministries with responsibility for information technology, the environment, and public transportation, would certainly want their voices heard among those with responsibility for education, health, tourism, mining and energy, justice, national security et al. In this modern day when the advancement of technology and the creation of the global community so to speak, has caused the practices of developed nations to become the envy of developing and emerging economies, so too have the expectations made on of these governments increased. While such enlightenment is to be acknowledged it must be appreciated that increased claims on the public purse means that taxpayers will either have to provide the government with more

money or the public debt will have to be increased. Whatever course of action is taken, tradeoffs between the many choices to be made by the government will be a direct consequence. How they prioritize, so as to stimulate development and growth in the economy will have a direct impact on how they choose to allocate the resources they have.

One of the questions that is in need of answering is, can Jamaica as a nation prosper and grow economically while continuing to employ the present amount of its resources security against external threats? The follow up question would be, what is the best way for those elected to public office to decide on what amount of the nations resources should be employed for such a purpose? It is hoped at the end of this chapter that answers to those questions will be provided. If not, then at least the direction in which to proceed so as to find those answers will be provided.

B. THE BUDGET PROCESS

Chapter VII of the Constitution of Jamaica is entitled Finance. Section 115 (1) charges the Minister responsible for finance with presenting before the end of each financial year the annual estimates of revenue and expenditure for public services during the succeeding financial year. The said Minister is further charged with introducing to the House of Representatives an Appropriation Bill, which outlines the estimated aggregate sums, which are proposed to be expended during that financial year.¹⁴ Once the Appropriation Bill has been tabled, the members of the House of Representatives debate it prior to taking a vote so that it can be passed into law.

The monies appropriated to each appropriate head or Ministry is then made available by way of a warrant, which is issued by the Minister responsible for finance on a monthly basis and represents allotments of the revenue paid in to the consolidated fund of the Jamaican Government.

The Constitution also provides for the Minister responsible for finance to introduce supplementary estimates before the House of Representatives to deal with such issues as the expenditure or likely expenditure of amounts in excess of the allocations provided for by way of the Appropriation law for an existing service and or a new service

¹⁴ Jamaica Constitution, Chap. VII, sec. 116 (1).

not yet provided for. It is interesting to note that the starting point for the budget process is the projected revenue for the country in the succeeding year. As was previously highlighted in chapter one, for the 2004/2005 financial year, only 31 cents of every dollar of revenue will undergo this process since the balance will be used to honor the statutory expenditures.¹⁵

The first step sees the Ministry with responsibility for the JDF, the Ministry of National Security (MNS), forwarding the Ministry of Finances initial request for estimates to the JDF in October of the current financial year for its projections for the subsequent year. Figure 1 outlines the budget process for Jamaica with an emphasis on the JDF.

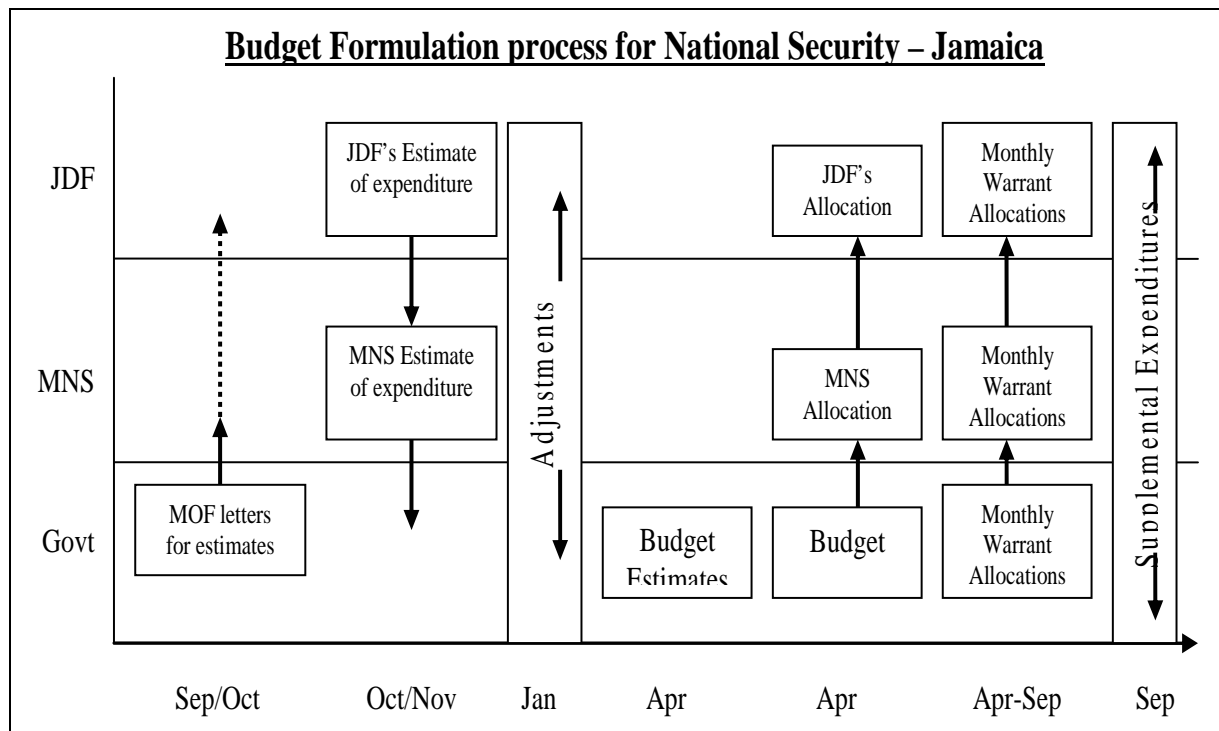


Figure 1. The Jamaican Annual Budget Process. (From the budget process as outlined by the Jamaican Constitution, and the formal process used by the JDF)

¹⁵ Statutory expenditures as defined in Chapter VII subsection 116 (4) of the Jamaican Constitution are those 'expenditure charged on the Consolidated Fund or on the general revenue and assets of Jamaica by virtue of any of the provisions of this Constitution or by virtue of the provisions of any other law for the time being in force; and the interest on the public debt, sinking fund payments, redemption monies, and the costs, charges and expenses incidental to the management of the public debt.

Once these estimates have been forwarded to the MNS they are perused and often returned for a sum figure to be deleted from it so that as the Ministry with overall responsibility for the civil police, (Jamaica Constabulary Force [JCF]), and the penal system, it can meet its apparent target. It can be seen at this time that the intent of the budget process in Jamaica is that of ensuring that the expenditures for the respective Ministries in relation to the subsequent year, falls within the projected revenue collection for the state. As a result it can be argued that the Constraints model of resource allocation¹⁶ as advocated by Janis is the main driving force behind the way that the Ministry of Finance looks at fulfilling its constitutional mandate. Janis argues that the Constraints model will influence public policies if the policy makers perceive that:

- The problem at hand is relatively routine and or unimportant,
- There exist overriding constraints that prevent searching for a high quality solution. Here the existence of cognitive limitations that prevent the comprehension of the complexity of the problem and the lack of resources that makes the search for such information futile, are considered.
- There is the need for them to conform to the pressures or other affiliate constraints that need to be given priority,
- Any personal motive or emotional reactions are in need of being given priority.¹⁷

The process as depicted, does give the impression that the involvement of the JDF in its resource allocation process is constrained to the organizations ability to build a case for itself as it seeks to justify its existence. The presentation it makes is then adjusted to reflect the realities of the present economic situation that prevails in the country, which serves as the main restraint for resource allocation. This could mean that during prolonged periods of economic hardships, it would be possible for allocations of resources for national security, to become a smaller and smaller portion of the national budget. After all, the question as to from what and whom would Jamaica be defending itself, would certainly be reasonable for those with the responsibility of allocating the resources to ask.

¹⁶ Irving L Janis, “*Crucial Decisions: Leadership in Policymaking and Crisis Management.*” New York, London: The Free Press, 1989, 153 –156. Hereinafter referred to as Janis 1989.

¹⁷ Janis argues that while the first two perceptions can easily be supported by studies the last two are new ideas that in need of more research.

1. Resource Allocation for Defence 1990-2003

Table I presents an overview of the actual budgetary allocations to the Ministry of National Security over the period 1990 through to 2003. The evidence so contained does appear to show that the general trend over the period under review is that of a declining budget for the JDF. While in 1993 all of 4.47 percent of the nation's resources were allocated to the JDF, the general trend thereafter has been for that percentage to mainly remain below 2.

Harriot writing in the Security and Defense Studies Review of Summer 2002¹⁸ reported that over the period 1990-1998 the military, i.e. the JDF's percentage allocation of the Ministry of National Security and Justice budget, declined from a high of twenty-nine percent in the first year to a low of nineteen percent in 1998.

<u>The JDF's Budgetary Allocation as a Percentage of the Nations Annual Budget</u>				
Year	Govt (JA \$ mil)	MNS (JA \$ mil)	JDF (JA \$ mil)	JDF as % of Govt
1990	6,060.10	659.90	221.50	3.66
1991	7,050.00	810.90	280.70	3.98
1992	10,441.20	1,227.90	306.00	2.93
1993	15,152.50	1,645.50	676.90	4.47
1994	31,705.40	3,758.00	1,032.20	3.26
1995	38,631.20	3,918.90	1,103.90	2.86
1996	51,844.36	4,780.00	1,222.30	2.36
1997	65,333.00	6,341.00	1,617.40	2.48
1998	71,654.40	8,022.80	1,941.60	2.71
1999	86,306.60	8,462.60	1,618.40	1.88
2000	93,219.00	9,520.30	1,782.30	1.91
2001	80,200.50	9,439.50	1,886.20	2.35
2002	111,911.70	11,215.50	2,177.70	1.95
2003	137,998.00	14,178.40	2,561.70	1.86

Table 1. The Allocation of Resources for Defence as a Percentage of the National Budget in Jamaica. (From The Finance Office of the HQ JDF and represents only on budget figures that were provided by way of monthly warrants from the Ministry of Finance)

¹⁸ Anthony Harriot, "Mission Effectiveness, Environmental Change and the Recognition of the Jamaican Security Forces," Security and Defense Studies Review, NDU, Summer 2002. Hereinafter referred to as Harriot 2002.

While Harriot's intent appeared to have been that of arguing that the JDF consumed too large a portion of the budget of the Ministry of National Security, he failed to have realistically looked at that consumption as a percentage of the overall national budget. Additionally, he failed to have acknowledged that consumption by the military is not normally limited to resources that can be consumed from the shelf in a similar manner to most other government agencies. A more accurate depiction of the military's consumption would have required that he adjusted the purchasing power of the said budgetary allocations based on the prevailing rates of exchange for the period that he represented. The fact that the Jamaican society is not involved in the domestic production of arms and ammunition, spare parts for aircrafts and boats and other military specific types of clothing and equipment, is of significance. The decline of the Jamaican currency over the period of this review saw it moving from an exchange rate of US\$1 to JA\$7 in April of 1993 to one of US\$1 to JA\$36.46 in April of 1998.¹⁹ It is worthwhile to note that the rate of exchange had moved to US\$1 to JA\$56.26 by April 2003. Taken in that context, it can be seen from Table 1 that the trend in the allocation of resources does support the notion that the policy makers are being consistently guided by the constraints they faced in terms of the availability of financial resources.

This point is further supported by the observations displayed in Table 2, which presents the allocation of resources to the JDF on an annual basis relative to the initial amounts requested and allocated. From Table 2 it can be observed that the actual amounts received by the JDF on an annual basis did compare favorably with the amounts that the Finance Minister would have tabled in parliament during the presentation of the budget. When the comparison is made of the actual receipts with what the organization would have originally requested, it can be seen that 2003 represented the only year over the period when what was received exceeded 75 percent of what was requested. Ignoring the fact that between April 2002 and April 2003 the Jamaican dollar lost 18 percent of its purchasing power relative to the US dollar would only serve to ignore the fact that in the final analysis the general trend has been that the allocated resources have bought less and less security for the nation.

¹⁹ Bank of Jamaica (BOJ) daily exchange rates [data on-line]; available from http://www.boj.org.jm/historical_rates.asp; Internet; accessed 03 May 2004.

The Budget Requests and Allocations to the JDF 1993-2003				
Year	Initial Request	Budget allocation	Total Warrants	Warrants as a % of initial request
1993	836.40	676.90	624.00	74.61
1994	1,004.70	1,032.20	1,032.18	102.74
1995	1,122.80	1,103.90	1,100.80	98.04
1996	1,677.30	1,222.30	1,230.50	73.36
1997	2,157.10	1,617.40	1,617.40	74.98
1998	2,552.70	1,941.60	1,941.60	76.06
1999	2,959.00	1,618.40	1,618.40	54.69
2000	2,351.00	1,782.30	1,782.30	75.81
2001	2,837.90	1,886.20	1,886.20	66.46
2002	2,890.20	2,177.70	2,177.70	75.35
2003	2,989.00	2,561.70	2,717.40	90.91

Table 2. Comparison of Budgetary Requests and Actual Allocations for Defence in Jamaica. (From The Finance Office of the HQ JDF. A provision of supplemental allocations throughout the financial years would have covered cases where warrants exceeded initial allocations)

Even this way of analyzing the purchasing power of the amount of resources allocated to the JDF by taking into account only the exchange rate can be misleading. As Skons, et al.²⁰ argue, the use of the market exchange rate (MER) as the basis of calculating military expenditures may not be as relevant in countries with emerging economies since the levels of technology they may buy with it may not be comparable with that of countries such as the US. They argue that the measurement used by the World Bank, i.e. the purchasing power parity (PPP) that measures the civilian resources foregone by the allocation of government resources to the military, would be a more relevant measure for the purposes of comparing military expenditure between countries. In Jamaica's case it would appear that less and less of the civilian resources are been allocated towards military expenditure. That would certainly be a good sign if to the converse it could be said that Jamaica was a developed country wherein each and every citizen could enjoy his individual right to live in a secure environment.

²⁰ Elizabeth Skons, et al., "Military Expenditure," *SIPRI Yearbook 2003: Armaments, Disarmament and International Security*. Oxford: Oxford University Press, 2003, 302-306. Hereinafter referred to as Skons et al., 2003.

The Jamaican budget has over the years as a current year local currency figure gotten incrementally larger and larger than that of the previous. The allocations for the Ministry of National Security and the JDF in particular has also generally followed suit. The resulting changes have been incremental, albeit by no set pattern that would suggest that they are following a plan such as a move towards becoming a fixed percentage allocation of the nation's budget. Wildavsky and Caiden in the fifth edition of "*The New Politics of the Budgetary Process*"²¹ acknowledge that participants in budgeting operate in an environment that imposes severe constraints on what they can do. They argue that those participants face political factors involving group pressures, political party conflicts, inter agency disputes and eventually they come to learn the rules of the budgetary game. Both Tables #1 and #2 provide evidence to support Wildavsky and Caiden's declaration that under incremental budgeting the chief determining factor of this year's budget is that of last year's.

When Jamaica gained its Independence from Britain in 1962, the then West India Regiment that gave way to the Jamaica Regiment, was used as a primary tool for the enforcement of the Governors authority. It could therefore be easily understood why there was no real concern with regards to the allocation of resources to the military that at that time had its leadership elements sent directly from the motherland. Harriot (2002) states that the existing defense forces of the English speaking Caribbean were imposed as a condition of their gaining Independence. While the British were so kind to have provided the initial capital outlay for the military establishments the new governments refused to allocate more than 0.75% of their budgets to finance the recurrent budgets of the military.

Based on the 2004/2005 Budget tabled in the House of Representatives on Thursday 15 April 2004 such a percentage of the \$328.20 billion budget would mean that the allocation for the JDF would be \$2.46 billion. The \$3.01 billion²² allocated through the Ministry of National Security works out to be 0.92 percent of the nation's budget. It must be stated that this amount is often symbolic since its realization will be ultimately

²¹ Aaron Wildavsky and Naomi Caiden, *The New Politics of the Budgetary Process*, 5th Edition, Longman, 2004, 44-49. Hereinafter referred to as Wildavsky and Caiden 2004.

²² Jamaica Government, 2004/2005 Budget Presentation, 15 April 2004 [data on-line]; available from http://www.mof.gov.jm/budget_memo/2004/chap02.shtml#def; Internet accessed 24 May 2004.

subject to the ability of the government to fund the monthly warrants. That exercise is traditionally a significant problem and the actual receipts are normally less than the original allocation²³ unless there is the need to make additional allocations via the supplemental route.

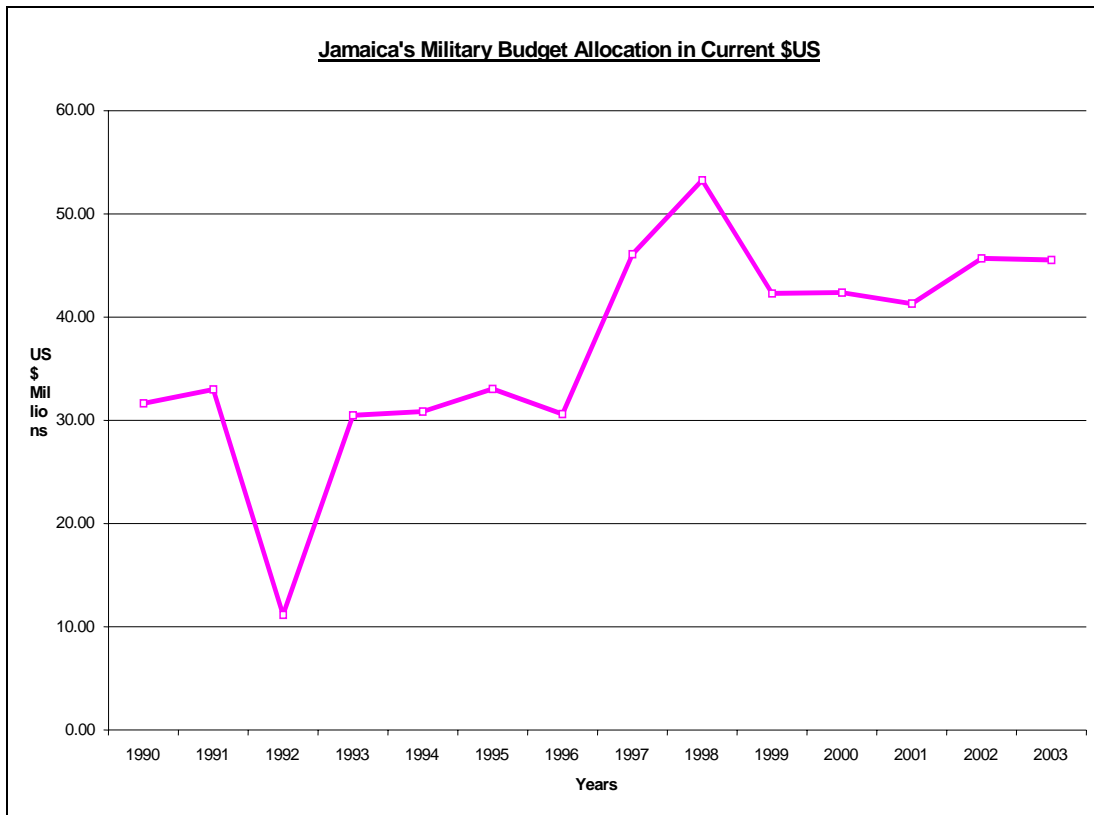


Figure 2. The JDF's Annual Budget Allocation in Current \$US. (From The Finance Office of HQ JDF (figures only))

When the budgetary allocation figures of the JDF over the period 1990-2003 are represented in \$US at the then market exchange rates as per Figure 2, there is no apparent indication that there has been any major periods over which the allocations have declined and have continued unabated. However, one must be aware that in a world where price increases associated with inflation and the increased cost of using technology, current year budgetary allocations based on only previous years figures, can be misleading.

²³ This point is re-enforced by Table 2 and especially the column that looks at the total warrant receipts as a percentage of the original budget requests by the JDF. The Office of the Staff Officer Finance of the Headquarters Jamaica Defence Force did this research in April and May 2004.

Skons et al make the argument that the mix of resources that can be bought for a given budget is affected by the difference in relative prices.²⁴ In the Jamaican context such a reality is more significant since it cannot be taken for granted that similar military items will be purchased every year. The fact that for the 2004/2005 financial year, over 89.2% of the JDF's budget is to be used to pay salaries and other related benefits, it can be appreciated that the procurement of fuel, training, clothing and equipment, and new technologies, will either be significantly curtailed if not postponed. The procurement of capital budget items has also been postponed. Again, most of these items are bought on the international market and the fact that the nation has no control over the increasing world oil prices means that the balance of the allocated budget for the JDF should in 2004/2005, buy still less in real terms.

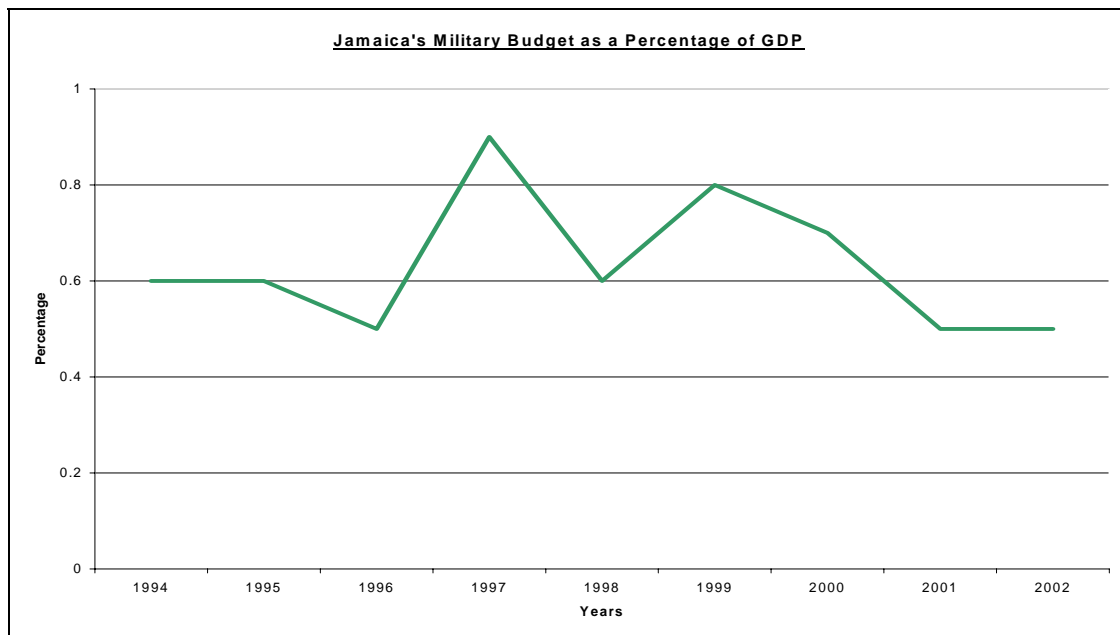


Figure 3. Jamaica's Military Budget as a Percentage of GDP. (From Information in *The Military Balance*)

In any economic model, government expenditure is but one component of the total expenditure of a nation. Jamaica's expenditure on the military as a percentage of the nation's GDP over the period depicted by Figure 3, has consistently remained below 1 percent. This is significant since the percentages here are much lower than the

²⁴ Skons, 2003, 304. A relative price is used in this context to mean the price of buying new developmental items versus replacing mass production ones.

percentages of the government's budget, as depicted by Table 1. This trend would suggest that the Jamaican society on a whole places much less emphasis on the value of national security, than does the government. However, since the GDP of a nation also includes net exports, other private consumption and investments which are additional to government expenditure, it would infer that there is much more at stake to the nation from a neglect of this issue.

C. THE ROLE OF THE JAMAICA DEFENCE FORCE IN ITS RESOURCE ALLOCATION PROCESS

The role of the JDF in the formulation of its annual budgetary allocation can at best be described as a paper exercise that is based on historic precedence. The Honourable Prime Minister and his Minister for National Security have both acknowledged the impact that certain criminal activities have on the very survival of Jamaica as a nation state. This would suggest that they as custodians of the nation's well-being would set the framework and directives for which they expect organizations such as the JDF to operate so as to not only prevent, but also thwart those present and emerging threats. This would suggest that a vigilant approach to solving the problem would drive what it is that the organization places as its emphasis in terms of personnel, training, the allocation and employment of resources and other mission critical activities. The plans by the leadership of the JDF for the organization to become more effective would mean that they would have to look at what activities they will need to be engaged in for the coming year and cost it accordingly.

This would imply that the planned levels of activities to be conducted by the organization would drive the decision making process. The operational, maintenance, and replacement costs of the aircrafts, boats, land based equipment, and physical infrastructure of the other government assets held by the JDF would like-wise be considered as variables that would be necessary in computing the future cost of operating the Force. It is well known that there is a lot of uncertainty associated with the management of a military. As such it would be reasonable to infer that the rational thought process employed in budgeting for the JDF would include factors for heightened activities on the nations behalf. This means that the military would have to look at what it is that it needs to do so as to enable it to effectively execute its tasks, and cost it. This

derived costing would be its budget projections for the coming year and would be considered as a total of all the line items of activities conducted by the military. Line items such as pay and allowances per established post, fuel consumption per nautical mile per vessel, rounds of ammunition to be used to keep each soldier certified, meals per day for each soldier, and costs associated with the recruiting and training of each batch of new entrants to the organization would be but a few of them.

The complexity of this process conducted by the military is typical of any modern problem solving technique that looks at the problem at hand that needs to be solved and offers multiple solutions for the selection of the best course. The Vigilant Problem solving approach Janis argues is one approach that can be taken to deal with issues of a critical nature that are in need of solving or not getting wrong. He argues that such an approach to problem solving will only take place when it is acknowledged that none of the present methods of dealing with the critical problems at hand are working. The fact that the JDF is continually operating on budgets with decreasing purchasing power relative to the international market would imply that it would not be able to avail itself of new technologies so as to allow it to remain effective as it also prepares itself to constantly adapt to changes.

Under the Parliamentary Democracy system of government as practiced in Jamaica there is no clear separation of powers between the Executive and the Legislative. As a consequence, it is expected that the wishes and plans of the Executive be ratified without much debate once issues such as the Budget are tabled in Parliament. There is no recourse for the JDF as an organization to question the political wisdom behind the allocation of resources to it on an annual basis. It would certainly be considered as being disloyal to even infer that the organization would not be able to survive on its allocated budget. As such the organization's involvement in its resource allocation process is confined to that of making a comprehensive budget submission, adjusting it so as to allow the government to meet its overall figures for the budget. The allocations eventually made by way of the budget presentation by the government can then only be awaited by way of the monthly warrants.

D. OTHER PLAYERS IN THE FORMULATION OF THE JDF'S BUDGET

Democracy while being heralded as the true way of government of the free world is not without flaws. While in theory democracy is government of the people elected by the people, it does not automatically mean that the people will be consulted on everything pertinent to their welfare before decisions will be made. The constitution specifically states the occasions when it is mandatory for the elected government to get the permission of the electorate before it acts. The formulation and or ratification of the nation's annual budget is certainly not one of those areas that calls for the holding of a referendum and as such the decision with regards to how to proceed rests with the elected government. Green²⁵ makes the point that the howls of protest that greeted the massive tax hikes proposed in the 2003/2004 budget presentation were absent for the corresponding exercise for the 2004/2005 presentation. He argues that this positive reaction was fostered because prior to the delivery of the budget in 2004, the Finance Minister had met with the private sector and outlined the government's plans. Nowhere in Green's report does he mention the fact that everyone in the private sector was delighted with the budget as tabled in parliament and as such it must be emphasized that the issue at hand is not that of the consensus of the members of the private sector membership with the governments plans; is the success of the common understanding that resulted from this approach that is being heralded as a positive step in the right direction for the democratic process in Jamaica.

The Defence Board chaired by the Prime Minister, who also holds the post of Minister of Defence, is responsible for the formulation and ratification of most policies relevant to the JDF.²⁶ The other members of the board are the Minister and Permanent Secretary in the Ministry of National Security and the Chief of Staff of the JDF. This board by its very composition would appear to be but a smaller version of the Executive arm of government. It is hardly likely that the matters discussed at this level would be any different from those policies already endorsed by the government. The argument

²⁵ Andrew Green, "New Budget Process Offers Hope to Social Partners," The Daily Gleaner, (Kingston, Jamaica) 23 April 2004 [newspaper on-line]; available from <http://www.jamaica-gleaner.com/gleaner/20040423/business/business8.html>; Internet, accessed 23 April 2004.

²⁶ Jamaica Defence Force, Legal Status, Roles and Procedures, [information on-line]; available from http://www.jdfmil.org/overview/legal/legal_home.html; Internet; accessed 29 May 2004.

being advanced is that there appears to be no permanent group inclusive of members of the civil society who are independent of government in appearance, that can be called upon to look objectively at the role and or continuing relevance of the JDF on an ongoing basis.

The numerous task forces and or commissions of enquiry so appointed by the government over the years have had influential members of the society, the business community and academia as a part of their composition. It can be argued that the findings and recommendations that they have made during their short stints as hired advisors to the government were thought provoking and created much debate in the short run. Given that the first duty of a nation state is to continue to exist, it would be reasonable to deduce that all issues that are relevant to its continuing existence, should be the basis of ongoing thought, debate and re-engineering. National security is one such critical aspect of a nations future existence that should be kept updated and relevant.

The mission of the JDF is:

To safeguard national sovereignty and to provide for the maintenance of order as required; to prepare for and respond to crisis with appropriate action; to assist with the process of nation building and protect Jamaica's interest at home and overseas.²⁷

Such a mission is incapable of being achieved on an ongoing basis if those who are to prepare for and respond to crisis with appropriate action on behalf of the state, must themselves try to function within the ongoing crisis of a lack of resources facing them. It is argued that for the JDF to be effective those in a position of authority and those with influential authority must address then the issue of the ongoing scarcity of resource allocation to the organization. Certainly there is much merit in Janis' argument that changes to the present modus operandi of the allocation of insufficient budgets by the policy makers will only occur when they acknowledge that a problem exists and are thereafter willing to fix it. He further outlines that when that happens, then the policy makers' will be able move to the next stage of problem solving and follow the steps of:

- Formulating the problem

²⁷ Ibid.

- Using informational resources
- Analyzing and reformulating the problem
- Evaluating and selecting the available options
- Deciding after adequate search, appraisal, and planning
- Bringing closure to the process by having internal consolidation of the choice and expressing social commitment towards it.²⁸

This approach would infer that the JDF's involvement in the process would be much more significant than it is today. The present process entails that the JDF presents a detailed line item budget request wherein it justifies each item. Be that item salaries and training costs for new recruits, training, operational costs for the Air Wing, Coast Guard and or the Engineers. The fact that these items are eventually treated as one cost pool that is then arbitrarily adjusted by way of cuts to the cost pool so that it fits within the budget guidelines is significant. It suggests that all activities in the pool have an equal weighting and hence can be adjusted accordingly without any real consequences to the effectiveness of the organization.

E. CONCLUSION

In this chapter the budget process for the allocation of resources in Jamaica was examined. The system as typical of the parliamentary democracy system fashioned from the British model was discussed, and it was shown that the annual budget process starts with calls for requests of expenditure from the various government agencies through their respective ministries. In the case of the JDF it was shown that the organization presented its annual budget request through the Ministry of National Security, which also managed the affairs of the Jamaica Constabulary Force, the correctional services and until recently, the courts.

It was further discussed that the JDF's involvement in its resource allocation decision was restricted to that of preparing line item justifications for expenditures based on their forecasts for the coming year. Once they compiled such figures and submitted them through the MNS, the next step would be for them to adjust such figures so that they could fit within the national budget framework. Evidence was compiled to show that adjustments to the JDF's initial requests were always that of adjusting down and that such

²⁸ Janis in Chapter 5, 91 presents a graphical overview of the main steps to be taken for realizing the Vigilant Problem-Solving Approach to Decision Making.

adjustments were not mindful of the mutual exclusiveness of each cost pool for the organization. Evidence was also presented to show that over the period 1990 to 2003, the general trend was for the JDF to receive no more than 75 percent of its initial budget request, by way of actual warrants. The real impact of this disclosure was put in the context of the diminishing purchasing power for, equipment, training and maintenance that the JDF could buy due to the fluctuations in its MER over the period.

The chapter also looked at the absence of any systematic independent review or overview process such as a policy board in Jamaica. This absence was weighed against the JDF mission to protect the nation's sovereignty by maintaining order and reacting to any crisis that may arise. Finally, we suggest that members of the government need (a) to recognize the serious shortcomings of the current allocation process and (b) to become aware of the many necessary steps needed to be taken to correct the situation.

III. RESOURCE ALLOCATION FOR THE MILITARY IN OTHER STATES

A. INTRODUCTION

There are many within the Jamaican society of today who are forever critical of policy decisions that emanate from any government of the state. That is truly one of the benefits of democracy and one of the dilemmas that those who occupy political office have to face as others vie to take their places. It is interesting to often note that there are many who support the belief that Jamaica was better off as a colony of the United Kingdom in terms of respect for the law and education. Those who are influenced by the thrills associated with democracy in the US are also critical of the Jamaican society's inability to offer greater personal wealth and security as offered there.

On the other hand those who are of the belief that small nations too can evolve, like to compare Jamaica and Singapore, which in the 1960's also gained its independence and hence started out as a new nation within the global environment. The GDP for Singapore in 2002 was US\$87 billion while that for Jamaica was US\$7.9 billion.²⁹ Singapore with its inspiring GDP and very low crime statistics is oft heralded as a prime example of the ability of a nation that is properly managed to have economic growth and hence create prosperity for its citizens. It would even be reasonable to suggest that Singapore with its real zero tolerance for lawlessness has placed itself in a better position to attract foreign direct investment than Jamaica has.

However that Jamaica was ranked in the list of the top ten countries in which to do business by the 2004 World Bank Report³⁰ and can be used to challenge those critics abound whose pleasure is not derived from offering solutions, but rather merely highlighting the nation's problems. It is not the fact that Singapore has only had two leaders since its gaining of independence or the fact that is a nation without Trade Unions that is to be argued in this chapter, although those facts are interesting.

²⁹ World Bank, 2002 Report on World GDP in \$US, [data on-line]; available from <http://www.worldbank.org/data/databytopic/GDP.pdf>; Internet; accessed 26 May 2004.

³⁰ World Bank, "Doing Business, Doing Business 2004", 2004 [report on-line]; available from <http://rru.worldbank.org/Documents/DoingBusiness/DBoverview.pdf>; Internet; accessed 26 May 2004.

This chapter will instead be used to examine the various models used for resource allocation in other nation states with which Jamaica continues to have close diplomatic, trade, migration, and military liaison relationships. These nations are the United Kingdom, Canada and the United States. It is important that I state why these nations have been selected as opposed to countries of a similar size from an economic and population context, as Jamaica. The old adage “why re-invent the wheel” guided the making of his decision. All three states named are a part of the developed world and since it is the desire of all other states, whether they are categorized as developing, emerging and or third world, to achieve that status of economic well-being and stable democratic rule. Equally true is the fact that each of these countries continue to advance their way of doing things as a part of their foreign policy. Numerous White Papers, policy documents and studies have been put out by agencies to their employ. Be these DFID (UK), The State Department, CIA (US) and or CIDA (Canada), all of these selected nations expend some amount of their resources on an ongoing basis to promote democracy and or aid in the advancement of other nation states in the global economy.

Jamaica’s association with the UK is well documented being that it too like the US and Canada was once also under her colonial rule. The gaining of independence by Jamaica in 1962 did not remove the Queen from being the Head of State. Equally important, the system of parliamentary democracy practiced by Jamaica and Canada today is very much a carbon copy of that which was inherited from the British.

The Jamaica US military association can be traced back the Second World War when the US maintained one naval and one air force base in Jamaica, at Goat Island and Vernamfield respectively. According to Muniz (1989), one of the conditions for Jamaica being granted independence was that the US retained the rights of a 100-acre ridge for the maintenance of a long-range navigation station.³¹ The Cuban Missile crisis of 1962 also meant that the US developed an additional interest in Caribbean strategic locations, and

³¹ Humberto Garcis-Muniz, “Assessment of Jamaica on its Twenty-fifth Independence Anniversary,” *The Journal of Commonwealth & Comparative Politics*, (March 1989), 75. Hereinafter referred to as Muniz 1989.

during that period contributions to Jamaica's defense efforts were considered more than generous. This relationship prevails today albeit the generosity extends only to military training.

Canada on the other hand has always been a trading partner of Jamaica. The fact that as a member of the G-8 group of countries, the Commonwealth as well as being a nation of vast resources, has also meant that she has been called upon to help in many areas deemed to be politically expedient. Military assistance has been one of those areas.³²

The selection of these nations complete, the intent is now to examine how they deal with the issue of resource allocation for the entire nation as a whole and specifically for defense. It is the stages involved in arriving at the critical decisions taken as to how best to allocate the resources of those nations and primarily that of what price to pay for defense that will be examined. The main actors in the allocation processes will be identified and in particular the roles of the militaries as well as others within those societies that are outside of the employ of those elected to political office.

It is not the successes and or failures of these processes and systems that are of interest for this study but rather the issues considered in their utilization. This chapter is used to provide evidence for any arguments that could support the thesis that better models for the allocation of resources for national security in Jamaica already exist and are in use elsewhere in the world. Surely should better and more involved processes be in existence in other countries that have diplomatic linkages with Jamaica, then it will be much more reasonable to cite them as possible systems for further analysis should it be found that the Jamaican system is not the best model currently being employed.

B. BACKGROUND

Within any modern day democracy, one of the most critical areas of public debate and research is that of the political economy and national security. Joseph S. Nye and Sean Lynn-Jones argue that those two areas represent 'one of the most serious problems

³² Ibid., 78.

within the discipline of political science.’³³ Deciding what price defense is a two-pronged question, advocates Senator Bill Brock, that hinges on whether a nation should use the issue of domestic priorities or foreign threats and international necessities, in the determination of the defense budget.³⁴ While those concerns were specifically raised and discussed in the context of national security relevant to the United States, it must be pointed out that their neighbors to the north also considered those very sentiments as being topical issues in Canada. Hartley argues that defense and the standard economic problem that it creates, the need to make choices in a world of uncertainty, results from two occurrences. These he states are namely the constant and or falling defense budgets (in real terms), and rising input costs for both equipment and personnel.³⁵

Defence is a major enterprise that in many countries ranks very high on the list of public expenditure argues Cooper.³⁶ He further explains that purchases within that sector of society, account for a vast proportion of a centralized government’s purchases of goods and services. This is the dilemma of the defense industry within countries that have the form of parliamentary democracy system such as the UK, Canada and Jamaica. The central government accounts for a vast amount of the spending within the nations economy. Fiscal policies are based upon the level and type of activities that are incorporated in government’s expenditure. Many are quick to state that for government to fund its activities then it must extract more by way of taxes from both individuals and businesses. This means that collectively there will be less to be invested in the other areas of society that can create more jobs and it is for that reason why in a time of peace, very few will advocate protracted periods of heavy defense investments by democratically elected governments.

³³ Joseph S. Nye and Sean M. Lynn-Jones, “International Security Studies: A Report of a Conference on the State of the Field,” *International Security* (1988), 5-27. Hereinafter referred to as Nye and Lynn-Jones 1988.

³⁴ Edmund S. Muskie and Bill Brock. “What Price Defense?” *American Enterprise Institute Rational Debate Seminars*. Washington: American Institute for Public Policy Research, 1974, 19-30. Hereinafter referred to as Muskie and Brock 1974.

³⁵ Keith Hartley. “Defence Economics: Its Contribution and New Developments”, *Centre for Defence Economics*, University of York, October 2002, 1-3. Hereinafter referred to as Hartley 2002.

³⁶ Sir Frank Cooper. “The Management of Defence Expenditure,” in Christoph Bertram ed., *Defense and Consensus; the Domestic Aspects of Western Security*. New York: St Martin’s Press, 1983, 51-75. Hereinafter referred to as Cooper 1983.

C. THE BUDGET PROCESS IN THE UNITED KINGDOM

The British Armed Forces has always been seen as being a prominent component of that society with its rich and long history of distinguished service. The days of the British Empire are now however well behind us and as such its armed forces has been right sized to meet the nations objectives. Cooper³⁷ argues that many factors bear directly on the management of defense expenditure in the UK. He points out that vested interest, government procedures re budgeting, international commitments, national political priorities and the competence of the military/civilian bureaucracy, are just some of the issues that impact on this area of a nations allocation of resources.

The fact that the British once ruled the world in terms of having had the largest empire means that it was able to have exported many of its ways of conducting business to the other areas of the world. Being the pioneers of the parliamentary democracy system of government, it was responsible for developing the type of resource allocation practices that are still used in several countries in the world today. The parliamentary democracy system requires that estimates of expenditures be prepared by the numerous ministries of the government and presented to the Treasury Department at the beginning of the fiscal year. It is the Treasury Department that will ultimately make an appropriate allocation of funding to meet those initial requests, based on the availability of funds from the public purse and the priorities of the government.

³⁷ Ibid.

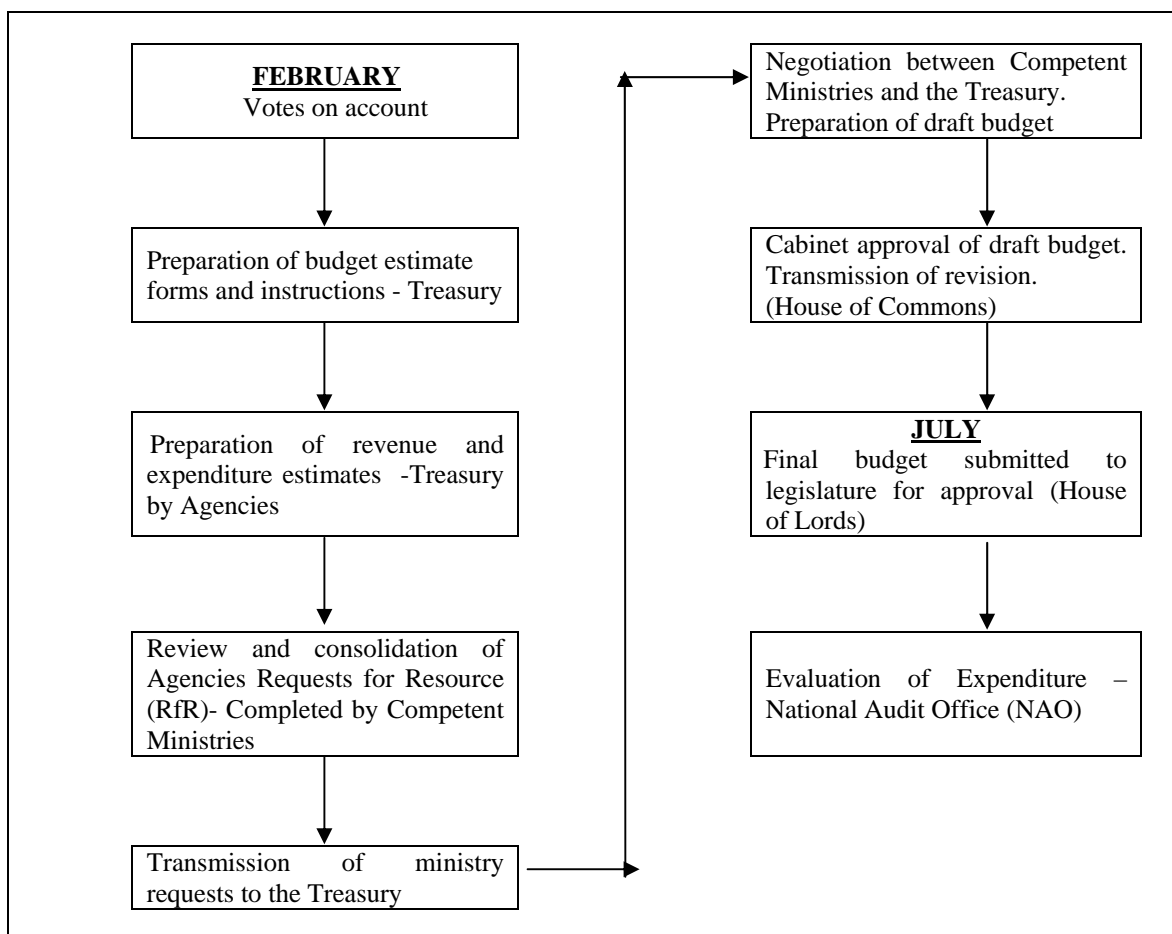


Figure 4. The British Budget Process. (From Fact Sheet P6 Procedure Series of the House of Commons Information Office³⁸)

The annual allocation of funds by this means, the expenditures and ultimately the accounting for of the funds, is viewed by the British Armed Forces as key indicators of their viability and hence why so much change has taken place in the British Ministry of Defence (MOD) since its creation in 1964. The significance of this is spelled out in the MOD's Expenditure plans³⁹ for 2002-2003 and 2003-2004 periods. The elimination of duplication across services brought about this major change from that of the five Departments of State that were previously involved in defense matters. The Expenditure

³⁸ UK Government, House of Commons Information Office [information on-line]; available from <http://www.parliament.uk/documents/upload/p06.pdf>; Internet; accessed 3 June 2004.

³⁹ UK Government (MOD), The Government's Expenditure Plans 2002-03 to 2003-04, July 2002 [data on-line]; available from http://www.mod.uk/linked_files/expenditure02-03.pdf; Internet; accessed 14 February 2004, 13-17.

plans emphasizes that The Secretary of State for Defence, is responsible for providing the means by which the formulated defense policy is to be executed. Figure 5 below, The British Military Expenditure 1993 to 2002, presents a graphical overview of the allocation of resources to the Armed forces of Britain over the period. The trend points to the fact that since 1997 the allocation of the nations resources in constant local currency has increased. This of course does not automatically mean that the allocation as a percentage of the entire societies resources has increased. Based on the 2003 SIPRI report, the trend over the stated period has indicated that military expenditure as a percentage of the nations GDP has declined steadily.

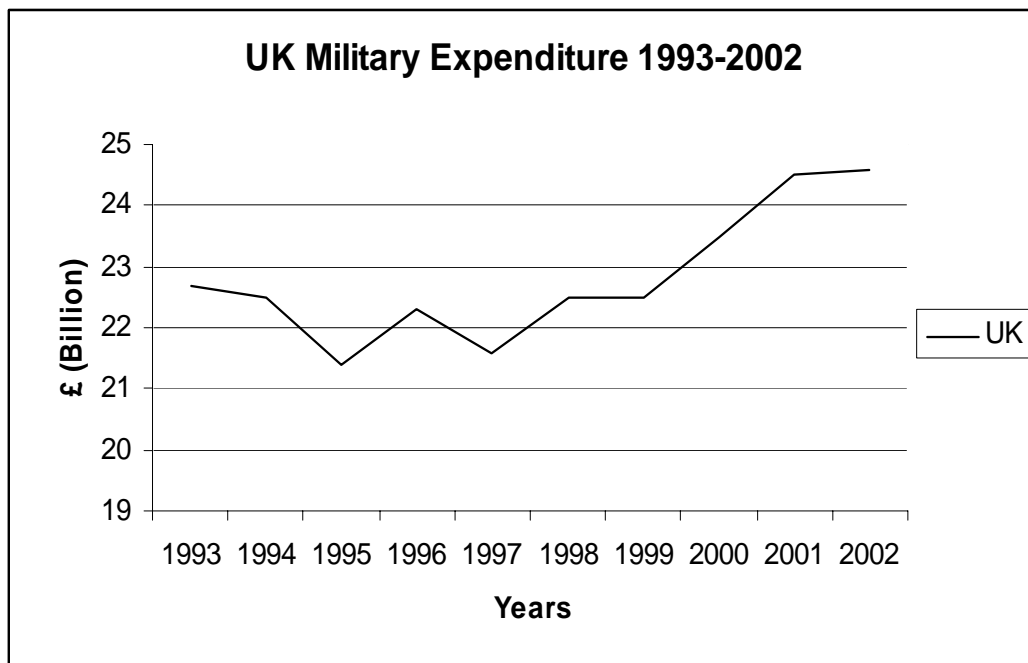


Figure 5. British Military Expenditure 1993-2002. (From the Data Presented in the 2003 SIPRI Yearbook on World Military Expenditure)

This is by no means a new phenomenon in the UK. Chichester and Wilkinson⁴⁰ argue that those politicians who care for national defence have a difficult task in winning the struggle for the hearts and minds of the electorate against the protagonists of

⁴⁰ Micheal Chichester and John Wilkinson, "*British Defence: A Blueprint for Reform*," (London: Brassey's Defence Publishers, 1987), 50. Hereinafter referred to as Chichester and Wilkinson 1987. Here the authors were writing on the roles of Parliament and Public Opinion.

unilateral disarmament and the peace movements. Cooper (1983)⁴¹ was also of the view that since the essence of democracy is that of choice, the expenditure of public resources so as to prevent the occurrence of a problem such as conflict, pales in significance to the immediate demands of the society.

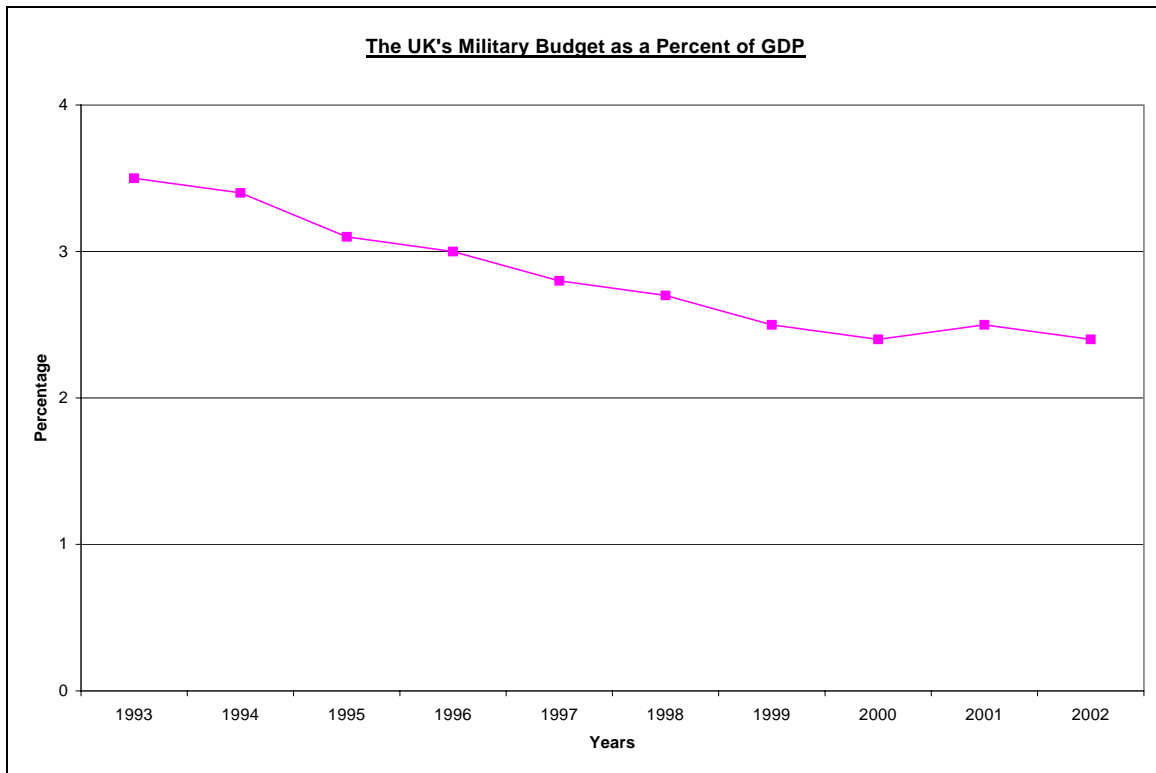


Figure 6. British Military Expenditure as a Percentage of GDP. (From *The Military Balance*.)

Figure 6 shows that as a percentage of the nation's GDP, expenditures on the military in the UK have declined over the period under review. Unlike figure 5 which showed that the actual figure of expenditure had increased over the said period, the reality is that as the British economy has increased, less of its overall resources have been allocated to defence. The minor peak reflected in 2001, can be associated with 9/11 and the general belief that national security around the world was been threatened by way of terrorism.

1. The Role of the UK Armed Forces in the Budget Process

"The Ministry of Defence (MOD) of the UK places a premium on prevention rather than cure," so states the incumbent Secretary of State for Defence. To that accord

⁴¹ Cooper 1983, 51-53.

they have formed an alliance with the public sector to become more accountable and responsive with regards to how they manage the resources entrusted to their care. To understand the significance of the position adopted by the Secretary of State for Defence one has to look at the developments of the MOD since its establishment in 1964.

MINISTERS	SENIOR OFFICIALS
The Secretary of State for Defence	Chief of the Defence Staff (CDS)
The Minister of State for the Armed Forces	Permanent Secretary (PUS)
The Parliamentary Under Secretary of State and Minister for Defence Procurement	Chief of the Naval Staff (CNS)
The Parliamentary Under Secretary of State and Minister for Veterans' Affairs	Chief of the General Staff (CGS)
	Chief of the Air Staff (CAS)
	Chief of Defence Logistics (CDL)
	Chief of Defence Procurement (CDP)
	Chief Scientific Adviser (CSA)
	2nd Permanent Secretary (2nd PUS)
	Vice Chief of the Defence Staff (VCDS)

Figure 7. Key Players in the Resource Allocation Process for the UK MOD.⁴²
(From: The MOD Publication, The Government's Expenditure Plans 2002-03 to 2003-04)

Since then its role has been reviewed several times with the last one being conducted in 1998. The responsibility for setting policy and providing the resources for the MOD lies with the politically appointed Secretary of State for Defence who is aided by his principal advisors who are from the military and civilian staff, the Chief of Defense Staff and Permanent Secretary respectively. Figure 7 above lists the members of the Defence Council. Specifically, the Permanent Secretary is the Government's principal advisor on Defence issues and has primary responsibility for policy, finance and

⁴² UK Government July 2002, 7. The Defence Council is comprised Ministers and senior military personnel.

administration. He also holds the title of Accounting Officer for the MOD and as such is personally accountable to Parliament for the expenditure of all public money allocated for Defence purposes.

The Defence Council comprises four Defence Ministers and ten senior officials (military and civilian who are collectively called the Defence Management Board). Both groupings have statutory responsibilities and in particular the directing of the annual departmental planning and budgeting process is their responsibility. Assisting The Defence Management Board with this difficult task are eleven Top Level Budget holders.

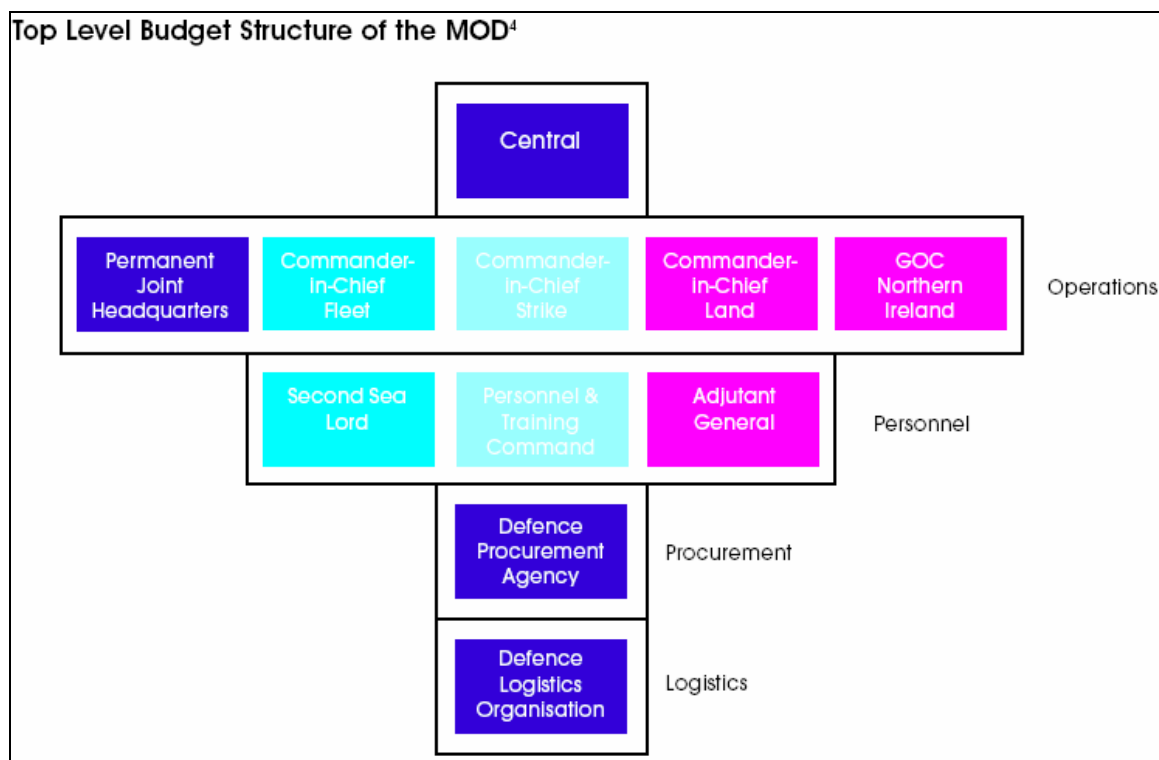


Figure 8. Top Level Budget Roles for the MOD.⁴³ (From The MOD Publication, The Government's Expenditure Plans 2002-03 to 2003-04)

Under the parliamentary democracy system there is no clear separation of duties between the executive and the legislative arms of government. This would mean that under the British system, resource allocation for defense would be based on the official position taken by the executive arm. However due to the formal position taken by the

⁴³ Ibid., 8.

British Government wherein it seeks to create a transparent environment in which the nations business is conducted, it indirectly encourages a wide range of participation. The business of the MOD is no different.

The balance of political appointments, career civil servants, and senior military personnel would suggest that each grouping in defense would have their own beliefs and would be eager to engage properly researched facts and data by way of commissioned research. This would ultimate lead to the encouragement of studies by academia, interest groups and think tanks. The ability of persons to also go public would encourage such a process and in an unobtrusive manner impose a system of good checks and balances.

The MOD being responsive to the British society's needs for all public sector entities to become both effective and efficient, have embarked on a Public Service Agreement (PSA) that sets benchmarks and milestones for their attainment over specific periods of time. The Secretary of State for Defence is personally responsible for the attainment of these targets in the military. The present day organization of the MOD into all of thirty-seven Defence Agencies is specifically to facilitate the realization of the objectives of the PSA.

This new thrust by the MOD has meant that they have taken up the challenge of becoming more responsive to the demands of civil society, and as such they have sought to become more business like in the manner in which they plan and conduct business. The creation of both "On Vote" and "Trading Fund" Agencies has meant that they have created a management system that is focused on eliminating waste thus becoming more efficient.⁴⁴ By taking this approach, which also involves the disposal of all non-critical assets such as land and the outsourcing of many non-essential services, they have moved along a path wherein the main intent is that of building credibility within the society. It would appear that this approach is being taken so that in the long run they will be afforded more of the nations resources so that they can execute the mandate that is given by their political masters.

⁴⁴ See Figure 8, which provides the different budget functions that form an umbrella for the MOD.

D. THE BUDGET PROCESS IN THE UNITED STATES OF AMERICA

The armed forces of the United States of America are today the only remaining military superpower of the world. In this modern era there are many vivid examples of economies that have been unable to resolve the dilemma of the trade off between “guns versus butter” in terms of what quantities of which are more important. The United States on the other hand is still able to maintain and equip an armed force better than any other modern society. This lends itself to the asking of the question, “What is it that they are doing so as to achieve this goal and how can their concept be employed elsewhere?”

The fact that for the 2004 fiscal year approximately \$400 billion dollars representing 3.4% of the nations GDP⁴⁵ is to be allocated to the US Armed Forces, is testament to the fact that they have been successful in terms of getting what seems to be their fair share of guns from the national budget. Figure 9 below provides a graphical overview for the period 1993 to 2002.

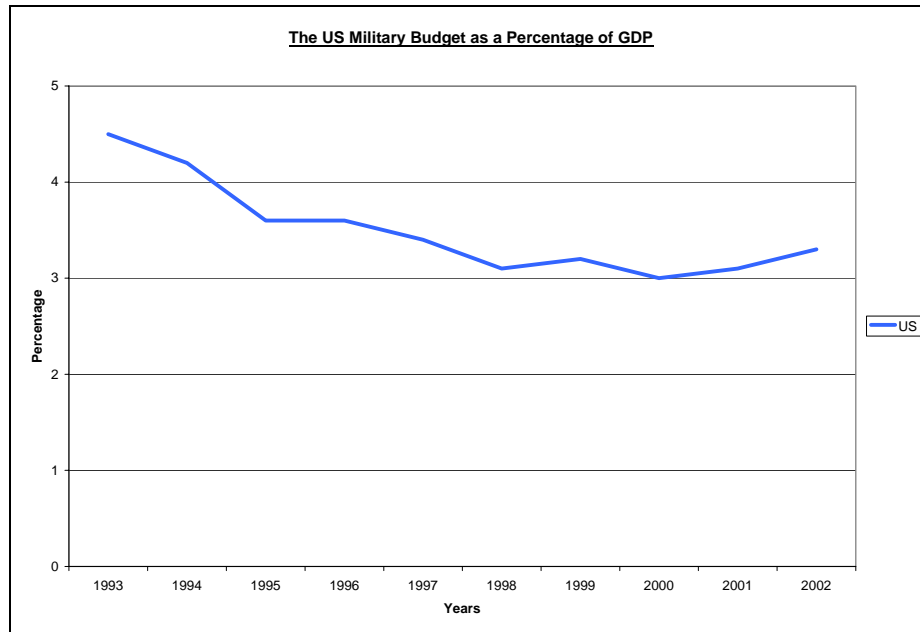


Figure 9. Resource Allocation to the US Armed Forces as Percentage of GDP 1993-2004. (From Data in the “*The Military Balance*.” (various issues)).

⁴⁵ Philip J. Candreva, *Practical Financial Management: A Handbook of Practical Financial Management Topics for the DoD Financial Manager*, 5th ed., Naval Postgraduate School, Monterey, California, March 2003, 13. Hereinafter referred to as Candreva, March 2003.

It is important to note however that as a percentage of GDP, allocations for military expenditure have been falling from a high of 11.9 percent in 1953 and have remained below 4.0 percent since 1995.⁴⁶ While that may be true, it has been even more interesting to note that over the period represented by financial years 1993 to 2003, only on one occasion did Congress reduced the initial budgetary request for the Department of Defense (DOD) by more than 4 percent. That occurred in 1993 to the tune of 7.5 percent. To the contrary, between 1996 and 2001 more money than was initially requested was approved by Congress and in fact as much as 10.5 percent more was approved in 1997.⁴⁷

Congressional Changes to Requests

(Budget Authority for each budget year, excluding supplementals)

(billions of dollars)

	<u>FY93</u>	<u>FY94</u>	<u>FY95</u>	<u>FY96</u>	<u>FY97</u>	<u>FY98</u>	<u>FY99</u>	<u>FY00</u>	<u>FY01</u>	<u>FY02</u>	<u>FY03</u>
Gross Add	+14.9	+15.0	+8.3	+15.7	+15.0	+14.4	+10.2	+18.5	+14.4	+10.1	+12.2
Gross Cuts	-22.4	-16.2	-9.3	-8.3	-4.5	-9.5	-10.0	-12.1	-10.3	-11.5	-13.0*
Net Changes	-7.5	-1.2	-1.0	+7.4	+10.5	+4.9	+0.2	+6.4	+4.1	-1.4	-0.8
Total Adj	37.3	31.2	17.6	24.0	19.5	23.9	20.2	30.6	24.7	21.6	25.2
% of Request	13.8%	12.4%	7.0%	9.8%	8.0%	9.5%	7.9%	11.5%	8.5%	6.6%	6.9%

* Excludes rejection of \$3.3B civilian accrual proposal.

Office Of The USD (Comptroller)

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Table 3. Congressional Action on DoD Budgets 1993 – 2003. (From Slide Presentation, “The FY04 DoD Budget and the 108th Congress,” available on-line from <http://www.asmcnline.org/files/PDI/PDIWorkshop19.ppt>; Internet.; accessed 03 June 2004)

⁴⁶ Candreva, March 2003, 16.

⁴⁷ US Government, “Congressional Action on DoD Budgets,” [table on-line]; accessed from website <http://www.asmcnline.org/files/PDI/PDIWorkshop19.ppt>; Internet; accessed 03 June 2004.

In looking at the historical significance of the United States military and the vital role it played in the fight for Independence in 1776, it can be appreciated that the forefathers of the nation ensured that by way of the Constitution, its survival was left to the legislative arm of government i.e. Congress.

Article 1 Section 8 of the Constitution of the United States of America states that:

- The Congress shall have Power To lay and collect Taxes, Duties, Imposts and Excises, to pay the Debts and provide for the common Defence and general Welfare of the United States; but all Duties, Imposts and Exercises shall be uniform throughout the United States;
- To raise and support Armies, but no Appropriation of Money to that Use shall be for a longer Term than two Years;
- To provide and maintain a Navy

The National Security Strategy (NSS)⁴⁸ sets the tone for the employment of the US Armed Forces. This strategy is issued by the President and is inclusive of the role to be played by the DOD as per the National Military Strategy Document (NMSD). It provides the direction for the employment of the armed forces and hence is responsible for shaping the strategies, war plans and acquisition decisions that are to be formulated thereafter. For the NSS to be implemented the programs that are a part of it have to be funded if they are to be executed.

The first step in the long process for funding occurs when the President's overall budget request is formally presented to Congress as an estimate.⁴⁹ The congressional action that follows includes debates by both the Senate and the House who initially and yet independently determine if a proper allocation of the resources of the nation is being advocated by way of the Presidents' request. It is at that level that it is first ascertained whether the funding being requested is realistic and if disparities in allocations between the twenty budget functions are in need of amendments. In essence Congress is at this stage ensuring that the price being asked for defense is adequate. It also wants to ensure that the proposed defense expenditure does not detract from spending on social security, income security, Medicare, healthcare, and education, etc., which are considered as being the other major budget functions.

⁴⁸ Candreva, March 2003, 18.

⁴⁹ Figure 10 provides an overview of the entire process using the budget of the DoD as an example.

Once the Congressional Budget Committees are satisfied with the ability of the Federal Government to operate within the fiscal boundaries they have forecasted, responsibility for the funding of the budget is then passed to the relevant authorization and appropriation committees.

What is interesting is the fact that the authorization of funding for the US Armed Forces does not signal the end of the justification process by those who represent the executive branch such as the Secretary of Defense and elements of the military top brass. Once they have successfully convinced the authorization committee that their needs are justifiable, they then have to appear before the Congressional Appropriations Committee and again state their cases.

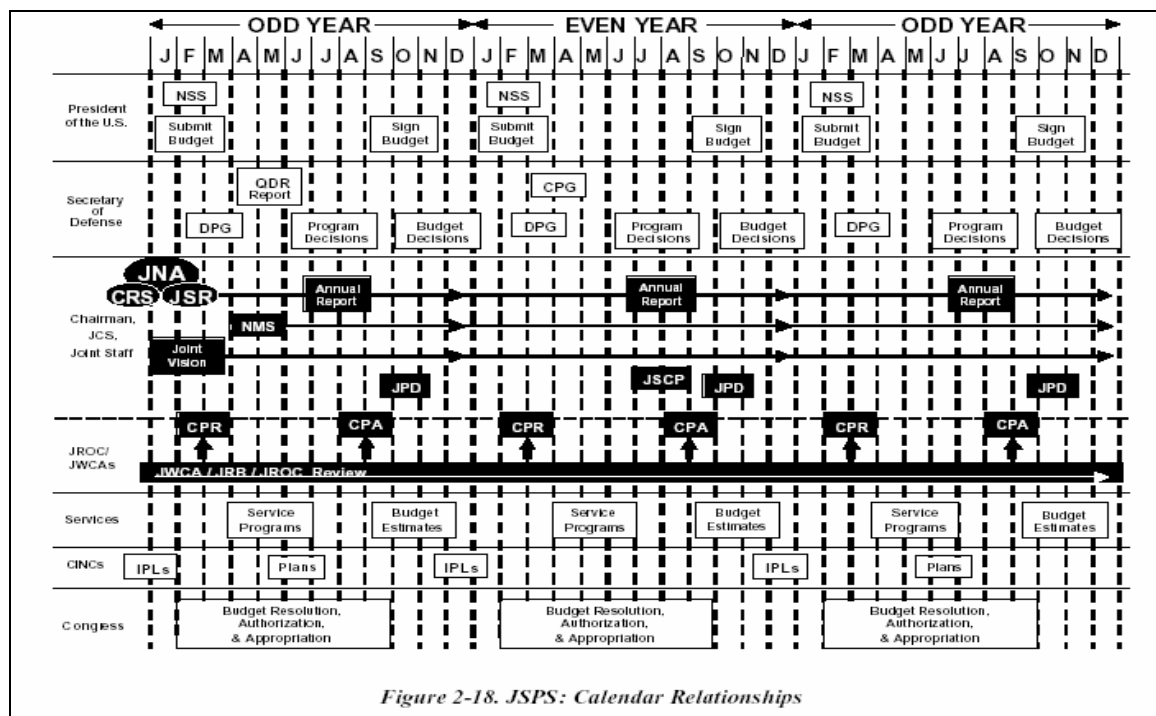


Figure 10. The Resource Allocation Process for the Military in the US.⁵⁰ (From Raymond E. Sullivan's, Resource Allocation: The Formal Process, Naval War College, 2002)

⁵⁰ This chart which maps the Budget formulation process for the US from the NSS to the Authorization and Appropriation processes was taken from Raymond E. Sullivan's, Resource Allocation: The Formal Process, Naval War College, 2002, 2-36 at [http://www.nwc.navy.mil/nsdm/Feb2002%20Resource%20Allocation%20\(web%20version\).pdf](http://www.nwc.navy.mil/nsdm/Feb2002%20Resource%20Allocation%20(web%20version).pdf); Internet, accessed 05 June 2004.

This system allows both those on the relevant committees who support the requested level of funding as well as those who are against, to in a transparent manner, question the need for such allocations. It is only after the initial concepts previously delivered by way of the President's budget estimates have made it through this level of scrutiny and justification, that it is returned to him as separate Authorization and Appropriation Bills to be signed, thus making them Law. This form of budgeting process is known as the Madisonian Budget System.⁵¹ This system was designed not to secure efficiency in the process, but rather to prevent the abuse of power by any one group.

The conclusion of this long process allows Congress to adhere to Article 1 Section 9 of the Constitution that states that:

No Money shall be drawn from the Treasury, but in Consequence of Appropriations made by Law;

Once the relevant appropriation acts such as the DOD Appropriations Act, the Military Construction Appropriations Act and others legally exist, then the budget can be executed. The budget authority so provided by the appropriation acts makes it illegal for the authorized defense agencies to expend those funds for any other purpose and or above the level that was authorized. The obligation of the funds thereafter is followed by budget outlays that represent the actual payment of government funds for goods and services.⁵²

One of the most significant differences of the Madisonian way of budgeting compared to that employed under the auspices of a parliamentary democracy is that the legislative branch of government does not have to endorse all of the wishes of the executive. In the case of the US, Congress by way of the public hearings conducted independently by its Senate and House Armed Forces Committees, is able to create an environment for deducing what amount of the nations resources must be allocated to security. Congress has the authority to summon the Secretary of Defense, and any other member of his civilian and or military staff that they see fit to summon. Congress also does not have to abide by the findings presented to it by the OSD and those in his

⁵¹ Joseph White and Aaron Wildavsky, *The Deficit and the Public Interest the Search for Responsible Budgeting in the 1980's*, California: University of California Press, 1989, 3.

⁵² Mary T. Tyszkiewicz and Stephen Daggett, "A Defense Budget Primer," Congressional Research Service Report to Congress, December 9, 1998, 1.

employ. Instead, they have the legal authority to commission independent studies of those options presented and not presented, that they consider relevant to the issue of national security.

1. The Role of the US Armed Forces in the Budget Process

The process that is laid out above is in fact preceded by a lot of prior preparation and planning by the elements of the DOD as confirmed by Figure 10. The question of course is where exactly does the process start?

Every combatant commander needs to be provided with the correct mix of human resources, equipment, capabilities and funding if he is to meet his objective as per the nations Commander in Chief's plans. This is achieved by way of the DOD using the NSS and Foreign Policy of the President to in essence justify the requirements of its future budgets. This is done by way of a process known as The Planning, Programming, Budgeting and Execution (PPBE) system.⁵³ This system is used exclusively by the armed forces of the US.

Planning as a part of the PPBE system is an ongoing process wherein individuals so empowered continually try to see the world, as it should look in the future. It is the logical forerunner to the other components of the system and is geared towards the realization of the long-term goals of the US' foreign policy. The President aided by his senior advisors who have responsibility for national security, such as the Secretaries of Defense and State, Directors of the CIA, Homeland Defense and others, make decisions based on these projections.⁵⁴

It is at that level, that threats of instability in the Middle East, Asia, Africa and the changing political landscapes in Europe, the former Soviet Union etc, are placed in context. Thereafter, the National Military Strategy that looks specifically at issues such as instigating the change of regimes in Afghanistan and Iraq and dissuading others such as North Korea from developing nuclear weapons, are formulated.⁵⁵

⁵³ RAND Corporation. *"New Challenges New Tools for Defense Decision Making,"* eds. S. Johnson, M. Libicki, and G. Trevorton. (Pasadena: RAND Corporation 2003), 19.

⁵⁴ Ibid.

⁵⁵ Ibid.

Planning looks in a general way at the mix of human and non-human resources from the various arms of the DOD that will be required to achieve the various projected tasks. Once the planning process is completed, the programming and budgeting processes starts in earnest. The programming phase is established so as to have the three military departments namely the army, navy, and air force, prepare a set of fiscally constrained proposals to satisfy the planning goals. The creation of Program Objectives Memoranda (POM's) by the individual departments sets out their plans into the future for the next six (6) years.⁵⁶ The Office of the Secretary Of Defense (OSD) reviews all POMs, which are in reality the prioritizing of program choices so as to best achieve the given goals. Since prioritizing is about the best allocation of funds, one should be able to appreciate that during this stage some of the previous decisions of the planning phase could be revisited and perhaps amended. The end products from this stage are consolidated through the OSD so as to derive the Future Years Defense Program (FYDP) that can be considered as the master plan.⁵⁷

The FYDP is used to create the budget estimate for the DOD for the next budget cycle. The creation of the budget estimates that are based on the program decisions, reflect both the latest pricing and execution experiences available to the departments. These estimates are then submitted to the OSD who in collaboration with the Office of Management and Budget (OMB) consolidates it into the president's budget request.

E. THE BUDGET PROCESS IN CANADA

The Canadian government is also fashioned as a parliamentary democracy that closely resembles that of the British with a symbolic Head of State, The Queen of England, a House of Representatives and a Senate. Deciding how much to allocate for all the national priorities in Canada follows a similar routine to that of the other two Parliamentary Democracies, namely the UK and Jamaica that were previously written on.

Figure 11 below presents an overview of the Canadian process for resource allocation on an annual basis.⁵⁸ Their process starts in late spring with the Cabinet's

⁵⁶ Candreva, March 2003, 26.

⁵⁷ Ibid.

⁵⁸ Canadian Government, Treasury Board Secretariat's Office [information on-line]; available from http://www.tbs-sct.gc.ca/Pubs_pol/oepubs/TB_H/EXMA3-4E.asp; Internet; accessed 22 April 2004.

strategy session wherein a review of the previous year is done prior to an involved framework being created so as to decide on the path to be taken for the upcoming year. The various Cabinet Policy Committees then look in depth at designing and developing new initiatives from prior budgets and or for future budgets.

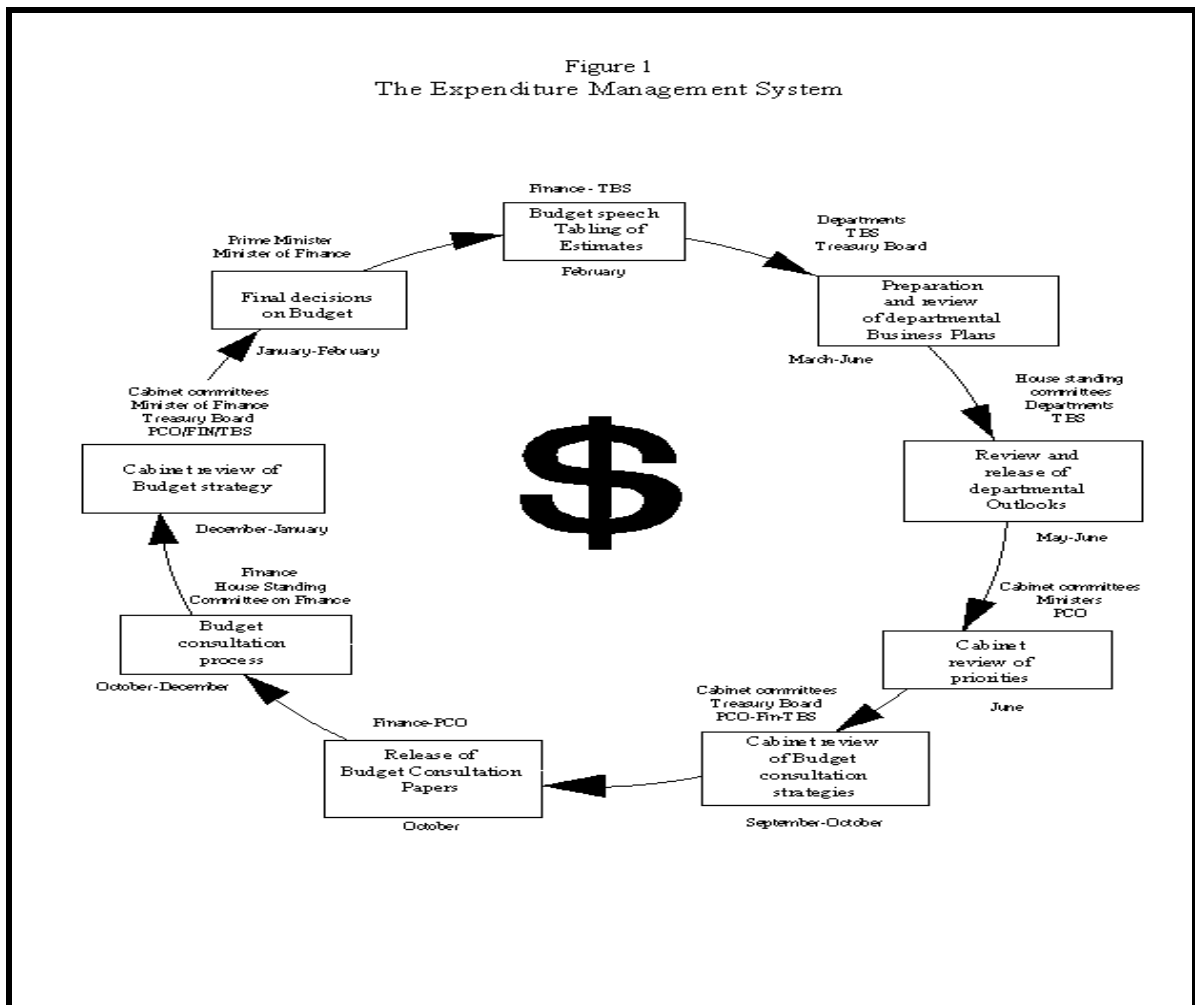


Figure 11. The Canadian Expenditure Management System. (From Document Posted on-line by the Treasury Board Secretariat's Office of the Canadian Government)

The Canadian Department of National Defence (DND) and other Departments and Agencies of the State then prepare multi-year Business Plans based on the budgets allocated in the previous Budget.⁵⁹ It is at this stage that the departments will adjust their business lines and programmes to reflect the resources available to them. Cooper,

⁵⁹ Ibid., 1.

Stephenson and Szeto⁶⁰ state emphatically that “The current state of Canadian Forces (CF) is the result of political, not military, decisions undertaken over the past couple of decades.” They further argue that neither the civilian leadership nor the high military leadership of the CF have dealt with the disconnect between commitment and capability.

The tabling of the estimates in February of each year means that the long Canadian Budget process cycle has ended and it is the final Decisions on the Budget that comes out of Cabinet’s review of the Budget Strategy that will be incorporated in the plans of the Government. The evidence as alluded to by Cooper et al, can be substantiated by Figure 12 below which looks at Canada’s Defence Expenditure over the period given.⁶¹

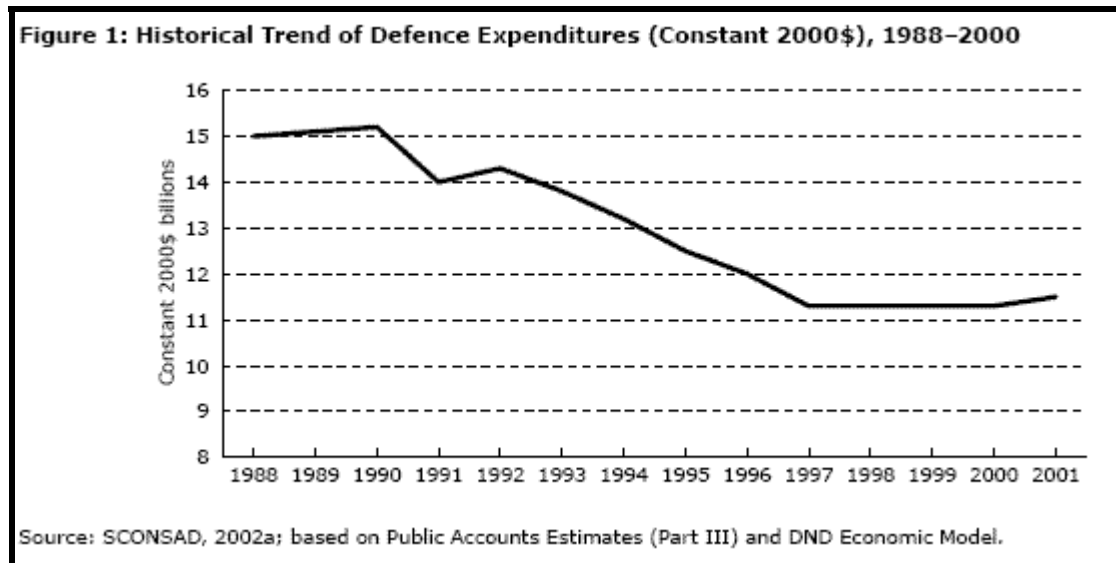


Figure 12. Military Expenditure in Canada. (From Canada’s Military Posture: An Analysis of Recent Civilian Reports” by Barry Cooper, Mercedes Stephenson and Ray Szeto, Critical Issues Bulletin, Fraser Institute, 2004, 4)

⁶⁰ Barry Cooper, Mercedes Stephenson, and Ray Szeto, “Canada’s Military Posture: An Analysis of Recent Civilian Reports”, *Critical Issues Bulletin*, Fraser Institute, 2004, 4 [document on-line]; available from http://www.stratnet.ucalgary.ca/publications/pdf/cooper_CanadaMilitaryPosture_jan04.pdf; Internet; accessed 3 March 2004. Herein after referred to as Cooper et al., 2004.

⁶¹ Ibid., 14.

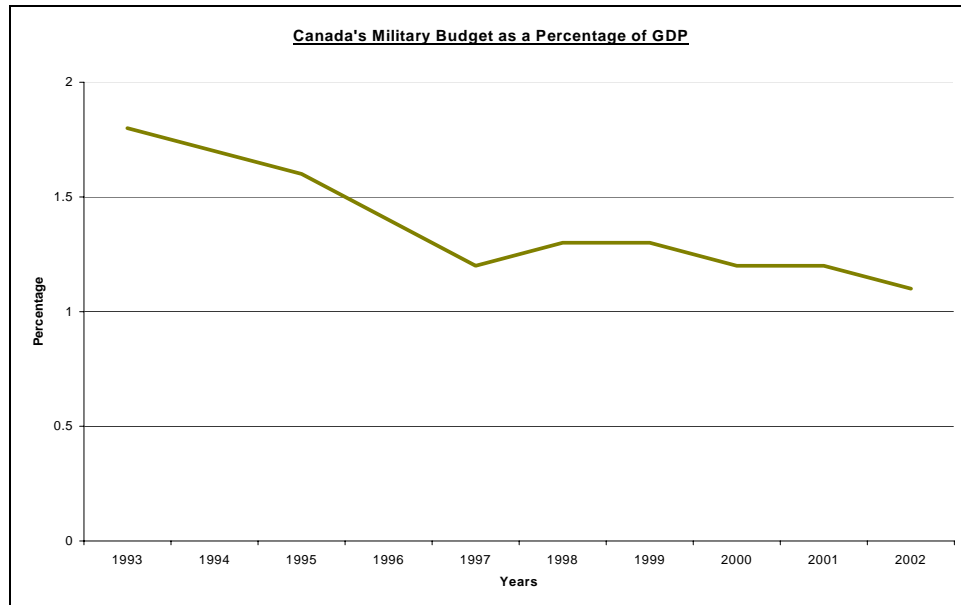


Figure 13. Canada's Military Expenditure as a Percent of GDP. (From Data in the *"The Military Balance,"* (various issues))

1. The Role of the Canadian Forces in the Budget Process

The Canadian DND is responsible for conducting defence planning in the areas of policy, programs and operations.⁶² The official documents goes on to explain that policy planning for the CF benefits from the involvement of interested national and international groups. The end results are channeled as advise to the Minister of National Defence, The Prime Minster and or the Cabinet since those policies have to remain within the framework of Government priorities in a changing domestic and international arena.⁶³

Once the government tables its annual budget and in reality discloses its priorities, the DND is provided with an indication of how it should proceed in terms of multi-year budgeting. This is on the premise that the budget as approved confirms the resource assumptions suggested by the previous years budget in addition to providing an indication of the resource levels that can be expected from the following two fiscal years.⁶⁴

⁶² Canadian DND, Policy document, *"National Procedures for Defence Planning"*, [information on-line]; available from http://www.forces.gc.ca/admpol/eng/doc/def_plan_2001/dp01_04_e.htm; Internet; accessed 03 March 2004.

⁶³ Ibid.

⁶⁴ Ibid.

The DND starting in March of each year prepares for submission to the Parliament, its annual report on Plans and Priorities as a formal means of requesting approval for its budget, plans, priorities and resource allocation.⁶⁵ The Standing committees on Public Accounts, National Defence and Veterans Affairs consider the annual report prior to its submission to the Parliament. In October of 2002, in the Governments response to one such submission, they affirmed that while the protection of the nations citizens was of utmost importance, choices had to be made, prioritization of them had to be done and action taken at the end of the day.⁶⁶

The trend as depicted by Figures 12 and 13 is one that reflects a consistent decline in the allocation of resources to the Canadian Forces over the years 1991 through to 1997 and a leveling off since. Claims by Bercuson et al.⁶⁷ that since the late 1980's those elected to public office have placed other issues except national security at the top of their political agendas are hard to be ignored given the evidence.

Cooper et al (2004) and Bercuson et al argues that one of the major problems facing the Canadian Forces is the fact that the Military Planners are today being guided by a military doctrine which is firmly rooted in the last century. The White Paper on Defence (Canada 1994) is the central document that defines Canadian military policy and war fighting doctrine. While it is argued by Cooper et al that the contents thereof are by no means all irrelevant today, it can however be argued that the ignoring of many of the issues previously raised in that paper has now led to the Canadian Forces being in its present state. They argue that events such as 9/11 have completely overtaken the issues of adequate force structure, personnel levels, equipment, training and logistics.

All 18 recommendations provided by Bercuson et al. to the Canadian Council of Chief Executives, suggested that new investments had to be made by the Canadian

⁶⁵ Ibid.

⁶⁶ Canadian Government, The Governments Response to the Senate Committee on National Security and Defence October 2002, 1 [document on-line]; available from http://www.psepc-sppcc.gc.ca/publications/national_security/pdf/Kenny_report_e.pdf; Internet; accessed 24 April 2004.

⁶⁷ David J. Bercuson et al, *National Defence National Interest: Sovereignty, Security and Canadian Military Capability in the Post 9/11 World*. Canadian Defence and Foreign Affairs Instituted, 2003 [report on-line]; available from http://www.stratnet.ucalgary.ca/publications/pdf/national_defence_national_interest_sept03.pdf; Internet; accessed 3 March 2004. Hereinafter referred to as Bercuson et al., 2003.

government if the Canadian Forces were to become effective. This is supported by recommendation number six which urges the Canadian Government to put an end to interminable delays and arbitrary interludes between Defence White Papers and instead, ensure that they are issued as regularly as at least every five years, is evidence that supports the little involvement the Canadian Forces have in their own budget formulation. The absence of such a document as an updated and relevant White Paper on Defence, issued by the incumbent holders of political office in Canada would only serve to put the Canadian Forces in a position wherein they, on receipt of their annual budgetary allocation, can only do what they can to plan and operate within the guidelines given.

F. CONCLUSION

In this chapter the resource allocation processes as used by the governments of the UK, US, and Canada were analyzed. The Parliamentary Democracy system present in the UK and Canada was shown as having a budget allocation process that facilitated the general wishes of the Executive arm of government. This was for the priorities and quantities of the original requests as per the Treasury and or Finance Ministers proposals. The main reason for this was the fact that there exists no clear separation of powers and or duties between the Executive and the legislative arms of government.

In the case of the US it was shown that the founding fathers of that nation ensured that when the constitution was written, there existed a clear separation of powers between the Executive and the Legislative, Congress. The Executive is responsible for providing the vision with regards to how it believes the nations resources should be allocated. On the other hand the Legislative must agree with such expenditures even if it is at the end of a lengthy process involving compromise.

Unlike within the parliamentary democracy system, the legislative arm in the US has the specific responsibility of raising an army and providing for the nations navy. The legitimacy of such roles is codified and has been rigidly safeguarded over the years by Congress. Specifically on the issue of resource allocation for the defense of these three nations, data was produced to show that in current dollars the amounts so allocated have increased between 1993 and 2002. Also true is the fact that as the economies of these nations grew, expenditure in the area of defense as a percentage of their GDP decreased.

Literature was presented to support arguments that the military in the UK and the US had an active role in the formulation of their budgets. These roles were primarily in support of the politically appointed Ministers of Defence (UK) and Secretary of Defense (US). The Defence Management Board used to manage the affairs of the MOD, was shown as having an agreement with the public sector for the implementation of more accountable systems so as to improve efficiency. The fact that the Minister with overall responsibility for the MOD was personally accountable for the attainment of those targets meant that he had an incentive to incorporate numerous models so as to realize them. Additionally the fact that the system of transparency with regards to government matters in that nation would also suggest that the added incentive of being able to support the decisions taken on behalf of the military, would force the employment of expert and knowledgeable individuals throughout.

The fact that Congress as the legislative arm of the US remains independent of the Executive does give it the added advantage of being able to seek its own answers for any issues that may arise in the course of their deliberations. Its power of the purse would also mean that it would not be eager to authorize and appropriate funds for any expenditures for which it did not feel was warranted. Evidence was given to support the action of Congress on several occasions when they allocated more funding for the military than was originally requested by the Executive.

In the case of Canada, The Executive's wishes were technically always met by the actions of the legislative arm. While the DND was given the chance to ask for an appropriate level of funding to conduct its operations, its allocation was restricted to what the Executive saw as being available from its budget. This was compounded by the fact that the Canadians continue to operate from the policies of a 1994 White Paper on Defence and hence have no clear current mandate on which to base their budgetary plans.

IV. A COMPARISON OF THE BUDGET PROCESSES

A. INTRODUCTION

History is replete with numerous studies that have been done on the profession of arms and its importance to the state. Writings of Sun Tzu's 'The Art of War', Machiavelli 'On War' are still today considered to be a must read for all those who make the military profession their chosen field. It is true that both of these literary works in particular were written centuries ago but their content are still applicable in today's world even after so much progress has been made with regards to technological advancements and the ways in which wars are now fought. It is still believed that the profession of arms is key to the survival of nation states, and hence why it is imperative that it be properly studied and utilized. Sun Tzu had long advocated that the maintenance of a standing army was certain to be a burden on the state, and especially if it was involved in a prolonged military campaign. From a historical perspective, it can be appreciated that the importance of the profession of arms can be summed up in the writings of Machiavelli when he states that:

There are two things of importance to the state and those are good laws and strong arms. Since there can be no good laws without strong arms then it stand to reason that good arms are vital.⁶⁸

None can argue that the world has not changed significantly since the days of Machiavelli. Even since the end of the last world war, much has changed in the world as far as the employment of military forces is concerned. The end of Communism in The USSR also meant that the Cold War era came to a seemingly abrupt end and hence the world has now more than ever seen it fit to replace the massive amount of resources that were historically placed on military procurement to other productive uses.

The occurrence of World Wars I and II after Machiavelli's time however speaks to the consequences that await a nation state assuming that it will never be called upon to defend both itself and its interests from another. The sentiments of Cooper et al (2004) further supports the notion why it is not realistic for a nation to view its national security as being anything but of a great priority. They assert that Canada being a nation of vast resources and one that shares a common border with the United States, still finds itself in

⁶⁸ Machiavelli, *The Prince*.

a position wherein it cannot properly protect its own airspace and coastline. This they have attributed to the fact that the nation has allowed the defence infrastructure to deteriorate to such a level that it is now unable to afford to replace them to the levels associated with today's technological advances. Cooper (1983) writes that military expenditure can be likened to that of an insurance policy. When times are good a nation has a tendency to underinsure and yet when there is a crisis it expects that its coverage will be adequate.

In this chapter the current budgetary processes for resource allocation for national security in the UK, the US, Canada, and Jamaica will be compared. They will be examined from the perspective of how, if at all, they have been able to meet the objectives of maintaining an effective military force for these nations. Effectiveness in this chapter will focus on the ability of the military force to maintain the level of manpower and equipment that is necessary for it to execute its mandate effectively in support of the nation state.

B. BACKGROUND

Democracy has for long been heralded as the preferred form of government in the modern nation state. When the United States of America broke away from the Monarchy that ruled the then British Empire, it was heralded by those who fought for freedom, as the start of a new world. The Constitution of the US was codified from the onset and was drafted in such a manner that would allow maximum participation of all the States that made up the Union in deciding what was to be best for the nation. Since that historic period, many other nation states have also gained independence from former empires and they too have embraced theoretically the notion that democratic rule is the most desirable form of government. That is from the perspective that democracy gives people a chance to have a say in terms of who leads them and the policies they adopt on their behalf.

Governments in these situations are charged with utilizing the resources of the nation to provide for the well being of its citizens. As in the Jamaican context, revenues are raised by the State so as to be re-allocated under the headings of Human Resources,

Machinery of the State, Production, and Physical Infrastructure.⁶⁹ The fact that all Ministries of Government are categorized under one of these headings is interesting. The placing of National Security under the heading of Machinery of the State is testament to the fact that in a similar manner to the days of Sun Tzu and Machiavelli, the security of the citizens today is critical to the functioning of the state today as it was in the past. In fact the United Nations Charter duly endorsed by 191 countries inclusive of those of this study, lists as one of the basic rights of a citizen of any nation the right for them to live in an environment free of fear. In particular, Article III requires that every citizen of a nation has the right to life, liberty and security of person.⁷⁰

It is against this background that this chapter is presented. The question as to what approaches are taken in the selected democratic countries so as to provide its citizens with that basic human necessity called security, is important if the best approach is to be selected from the myriad of choices so presented. The other rationale lies in the fact that just like other economic and fiscal models existing in the world today, there is no need to invent other new models if practical and suitable ones already exist. The approaches taken for allocating resources for defense in these countries will be compared with each other and with the theoretical ideas also offered by other global and independent organizations.

C. THE THEORETICAL APPROACH TO RESOURCE ALLOCATION FOR DEFENCE

The Geneva Centre for the Democratic Control of the Armed Forces (DFID) in their book entitled “A Handbook for Parliamentarians – Parliamentary Oversight of the Security Sector – Principles, mechanisms and practices” (2003), made public their findings on how decisions should be used to establish how much resources should be allocated to the maintenance of the armed forces in a nation. The work resulted from the

⁶⁹ Jamaican Government, Ministry of Finance and Planning public information [information on-line]; available from <http://www.mof.gov.jm/programmes/frm/budget/default.shtml>; Internet; accessed 23 April 2004. These are the broad categories that are used for the allocation of resources by the government of Jamaica. The responsible Ministries of Government each fall into one of these categories and as such it can be expected that there will be much debate during the budget formulation process with regards to who gets what.

⁷⁰ UN Org, Charter, Articles 3 and 7 [information on-line]; available from <http://www.un.org/Overview/growth.htm> <http://www.un.org/Overview/rights.html>; Internet; accessed 25 May 2004. These articles outline the responsibility of the nation state to each and every citizen under the umbrella of Human Rights.

collective efforts of representatives of 43 countries and was commissioned by DFID. Born et al, the authors of the book, are explicit in their argument that the armed forces of a nation are in the direct employ of those who formed the government. Throughout their book they emphasized that there was the need for parliamentarians to make themselves knowledgeable about matters concerning the military so that they could make more informed and hence better decisions.⁷¹ A critical point on the matter of the democratic control of the armed forces raised by the authors was that of the different spheres of control that a nation needed if it was to be successful with regards to this issue. In particular they looked at the functions of the parliament, judiciary and executive and the influence each should have on deciding issues such as:⁷²

- Who should head the armed forces
- Who should be involved in the formulation of the security policy for the nation
- The budget for the armed forces
- The defence laws
- Personnel for the armed forces
- Procurement policy decisions
- The employment of members of the armed forces on overseas missions
- International treaties and alliances.

Of importance it is to be noted that these areas were considered as being critical ones that the leadership of a nation had to grasp if they were to be effective in eventually deciding how much defense to procure on behalf of their nation. Ball (2002)⁷³ argues that budgeting for the armed forces is, from a public policy perspective, no different from how budgeting is done for other government sectors. She argues that sound fiscal management of the armed forces will only serve to make them more cost effective and accountable to those for whom they work. To achieve that position, Ball states that the

⁷¹ Hans Born, Phillip Fluri, and Anders B. Johnsson, A. (eds.), *Parliamentary Oversight of the Security Sector: Principles, Mechanisms and Practises, Handbook for Parliamentarians no. 5*. Geneva: IPU/DCAF, 2003, 20-24 [hand book on-line]; accessed from http://www.dcaf.ch/partners/DCAF-IPU_Handbook/Handbook_eng/Section_I.pdf; Internet; accessed 19 February 2004.

⁷² Ibid., 22-23.

⁷³ Nicole Ball, *Managing The Military Budgeting Process: Integrating the Defense Sector into Government Wide Processes*. Washington DC: Center for International Policy and Centre for International Development and Conflict Management, 2002, 2-5[Report on-line]; available from <http://projects.sipri.se/milex/ball.pdf>; Internet; accessed 25 May 2004.

governance of the military sector must adhere to the levels of policy associated with international norms and law, national legislation and policies, and finally, national practices. It is the establishment of such guidelines she advances, that will allow a nation to utilize strategic planning, as the forerunner to policy creation that will eventually culminate in the proper planning and budgeting for the employment of the armed forces.⁷⁴

Wildavsky et al. (2004)⁷⁵ argue that while budgeting for the military should in reality be no different from that of other government entities, understanding it can be likened to finding one's way through a maze blindfolded. They argue that budgeting for defense raises the question as to whether any policy on it can be determined without the consideration of resources. He acknowledges that like other budgets, defense budgets also focus on the year ahead but because of the long term horizon that are critical for making plans for military activities such as development, deployment and maintenance, such variables only serve to make a simple process that much more complex. It is that complexity he argues that brought about the Planning, Programming, and Budgeting System (PPBS) in 1961 in the US. That PPBS system has now evolved to become the PPBE system with the addition of Execution to the process.

The implementation of a Defence Management Board (DMB) in the UK for the purposes of tasking its members with helping to define and present the strategic direction for the British Armed Forces through the establishment of key priorities, can be seen as their way of dealing with this complex problem. This on the premise that the said DMB is also tasked to ensure that the defence priorities and tasks are adequately funded and that measures be devised to ensure that the outputs correspond with the inputs.

While Born et al. (2003) acknowledge that the management of the complex process of budgeting for the military is the primary responsibility of the elected government, they argue that persons deemed to be influential members of the society (Academia, Think Tanks, and political watchdog groups) and the media, also have a critical role to play.⁷⁶ This role is primarily that of explaining to the majority of the civil

⁷⁴ Ibid., 6.

⁷⁵ Wildavsky and Caiden, 2004, 152-161.

⁷⁶ Born., Fluri, and Johnsson, 2003, 35-43.

populace, the need for the armed forces to be in the employ of the nation state. The authors were of the belief that a clear understanding of the role of the military was a necessity for the general civil populace if the elected government was to be coerced to exercise its best options of providing the ideal amount of security for the nation on behalf of the citizens. The allocation of too much resources could easily be counter productive, but equally true was that an under allocation could end up having a much more damaging effect on the nation in the long run.

Bercuson et al. (2003)⁷⁷ alluded to the fact that Canadians believed themselves to possess different values to those of their neighbors, the US, and that they have historically adopted a value based approach to foreign policy. This type of foreign policy he argues has placed a strain on the relations of both countries since it has meant that Canada has made drastic cutbacks to her military budget over the years based on that stance. As such, their desire of exporting their beliefs of the need for a peaceful approach to be taken to solving the problems of the world has had consequences. Canada has lost both her ability to be a part of the international regime of current military powers and also, to contribute effectively to the security of the North American Continent. They argue that while historically the Canadians have been contributors of troops to many campaigns, the advent of Force reduction has now made them on an increasing scale, incapable of being self sufficient on any deployment. The analogy of Canada sitting at the G8 table and wishing to have their voice heard and vote registered, yet conveniently going to the rest room when the bill becomes due, is reflective of that country's present state of even having to curtail much of the military assistance they once were renown.

It is further advanced by Bercuson that the aftermath of 9/11 has brought to the fore that the strategy⁷⁸ of the Canadians relying on the benevolence of their US neighbors to protect their large border, can no longer be considered as being in their interest. They argue that the inability of their navy to protect their offshore interests and their forces to protect the nation's airspace, has also left them vulnerable in terms of the coastline and

⁷⁷ Bercuson et al., 2003, 2-4.

⁷⁸ Ibid., 4-13.

the land borders. As Bercuson (2002)⁷⁹ himself argues, it is the continuing evolution of a global society that is as free as possible for the movement of people, things, and ideas that should drive Canada's security policy. This would infer that he is of the belief that Canada has a moral obligation to play her part in this regard as opposed to just adhering to the dictates of those so elected to public office.

D. A COMPARISON OF THE ACTUAL PROCESSES IN USE

Robert McNamara in his writings about his stint as the Secretary of Defense⁸⁰ argues that among the many challenges that he faced were those of transforming the American armed forces from a culture of getting everything that they wanted to one wherein they had a responsibility to the nation to be efficient in its use of resources. While it is interesting that he had that concern those many years ago, there is no indication that from a global perspective, the use of the world's resources so allocated for military expenditure is being effectively utilized.

The sheer significance of the political economy of military expenditure in the world is best given by the current edition of the SIPRI report.⁸¹ Some 2.5 percent of the world's GDP at a sum total of US\$794 billion in current prices was spent in 2002 to fund military expenditures. When compared to the resources that were spent at the peak of the Cold War era in 1988, we can see that the current figure is some 16 percent less than the resources that were allocated then. The world as we know it is no longer actively engaged in arms procurement from a conventional perspective since no real threats exist between the countries at the top of the expenditure list. The belief that the world became a peaceful one with the advent of the fall of communism in 1989 certainly came to a abrupt end in September 2001. As president George Bush of the United States termed it:

In World War II we fought to make the world safer, then worked to rebuild it. As we wage war today to keep the world safe from terror, we must also work to make the world a better place for all its citizens.⁸²

⁷⁹ David Bercuson, *Serving Canadian Interest: A Defence Policy that Begins at Home*, [paper on-line]; available from http://www.stratnet.ucalgary.ca/publications/pdf/bercuson_serving_canadian_interests_feb04.pdf; Internet; accessed 03 March 2004, 2002, 3-5.

⁸⁰ Robert S. McNamara, *The Essence of Security*, Harper and Row, 1968, 87-97.

⁸¹ SIPRI 2003 Handbook, Chapter 10, 300-302.

⁸² This excerpt was from a speech given by President Bush, in Washington, D.C. (Inter-American Development Bank), 14 March 2002. The quote can be found in the NSS of September 2002:21.

The impact of that terrorist attack was very costly to the US economy, as it was reported that there was a net loss of some \$191 billion in 2001 dollars within all of its metropolitan areas.⁸³ This loss is exclusive of the cascading effects of additional losses from the severe disruption of world trade. This supports the belief that a peaceful and hence secure environment is required so as to facilitate global trade. Those nation states with vast resources need to develop and implement systems that will protect those resources from being seized and or interfered with by others. Such has been the plight of the United States, which in the aftermath of 9/11, created the Department of Homeland Security. On the other hand, those other nations with less resources but who also depend heavily on world trade, also need to create a safe environment that will facilitate the inflow of Foreign Direct Investment (FDI) and the outflow of goods to external markets for the purposes of revenue generation. It can therefore be appreciated that the creation of a safe environment so as to facilitate trade is the business of every nation state be they large or small, developed and or emerging.

Figure 14 gives a graphical depiction of the trend in expenditures for the four nation states that are a part of this study.⁸⁴ It can be seen that there has been a general trend indicating that expenditure for the military in all four nation states has declined over the period of study. With the exception of the US, which reflected a significant increase in expenditure since 2001, the others have either remained relatively constant or have declined marginally. A look at the said data from the perspective of the percentage of the nation's GDP that has been allocated to providing security to the select nation states over the said period of review would give a more realistic indication of how the individual nations have valued their national security investments.

⁸³ US Government, Report to Congress of General Accounting Office Research into the Economic cost to NYC from 9/11[report on-line]; available from <http://www.gao.gov/new.items/d02700r.pdf>; Internet; accessed 3 June 2004, 2002, 3.

⁸⁴ This graph was compiled from the SIPRI (2003) Handbook on world military expenditure for the UK, US and Canada. The figures from Jamaica were converted from the Jamaican Budgetary allocations for the JDF over the period which were then converted to \$US at the prevailing rates of exchanger. Finally, those figures were converted to the 2000 constant figure based on the SIPRI model for the US.

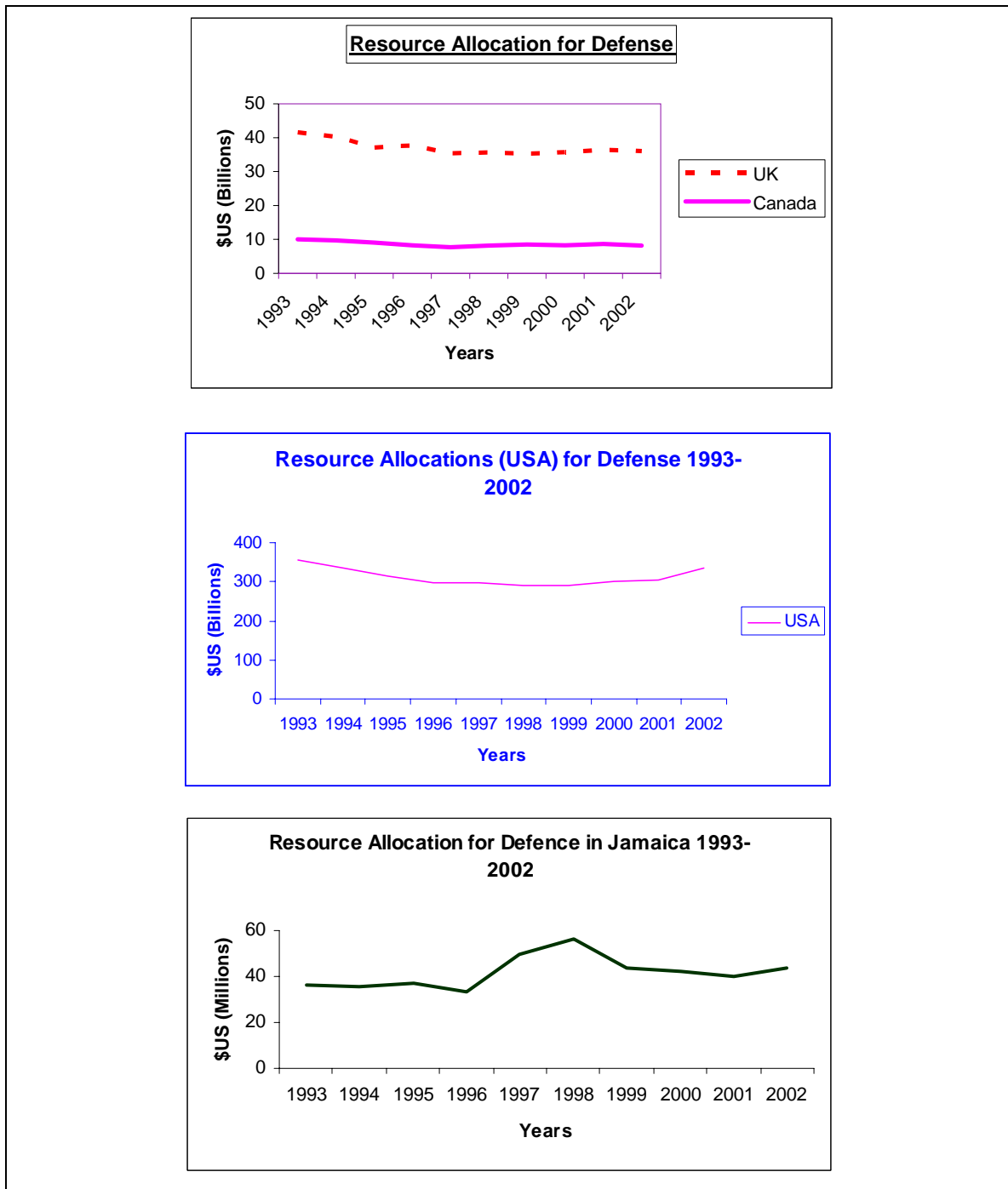


Figure 14. Comparative Resource Allocation Trends in Constant \$US 2002 Figures. (From Data in the SIPRI (2003) Handbook on World Military Expenditure for Canada, The UK and US. For Jamaica the data originated from the Office of the Staff Officer Finance.)

Figure 15 provides this information in a graphical form. Here it can be seen that despite the fact that Jamaica's expenditure over the period increased more significantly than the other countries, only they have consistently remained at below 1 percent of GDP.

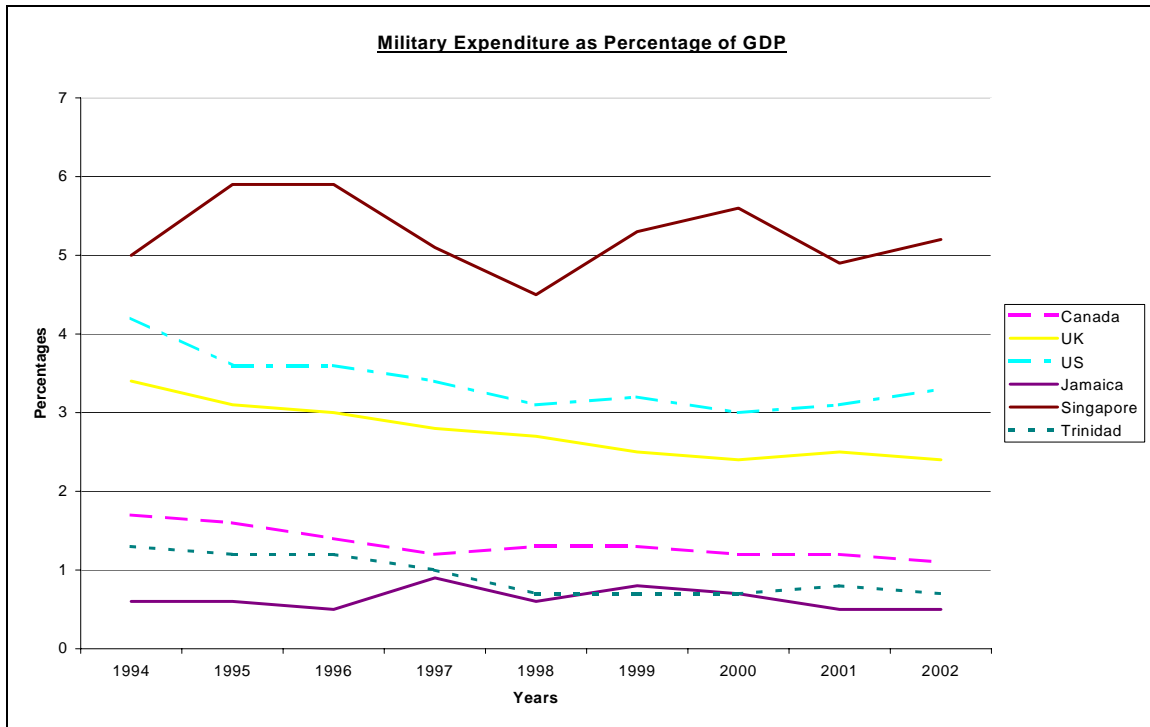


Figure 15. Comparison of Military Expenditure as a Percentage of GDP, Select Nations. (From The Military Balance)

The trend for all the countries of this study shows that they have all experienced a gradual decline in their expenditures in this category. The fact that Singapore and Trinidad have been included in the model is to signify the efforts that other nations of Jamaica's size have made to treat the business of their security as being of importance to them. In the case of Canada and Jamaica they have consistently had the lowest percentage GDP allocations to their military over the period. Whatever the process used to allocate resources in all of these countries, it can be seen that they do not enjoy as large a percentage of their GDP allocated when compared to the UK and the US.

The process of resource allocation for national security in the US starts with the issuing of the National Security Strategy (NSS), which outlines that nation's foreign policy and any special interests that the nation is to pursue. This is issued by the President

and is updated as deemed necessary. The most recent one was issued in September 2002 and it placed great emphasis on the issue of homeland security and in particular the creation and funding for the new agency by the said name. The said document also recorded the change in the establishment of the Geographical Commanders and in particular the creation of the Northern Command with responsibility for the US mainland.⁸⁵ The fact that the act of terrorism that devastated the country in the month of September 2001 triggered the documented change in policy for the US armed forces inclusive of drastic changes in its structure and modus operandi, must be taken in the context of just how important national security is to them. There is no doubt that the Machiavellian principle that good laws and good arms are of utmost importance to the survival of the state, was being practiced here. The imposition of laws to support the new security threat in the US has also created rippling effects worldwide.⁸⁶

Equally important in the US budget formulation process in terms of the resource allocation for the armed forces is that the NSS drives the plans that are made by the military in terms of its National Military Strategy (NMS). As such the military uses the NSS to develop its NMS, which it then presents to the Secretary of Defense and requests that through Congress, they be provided with the necessary funds so as to execute the mandate of the Executive arm of government. Congress as the guardians of the public purse also does have the added responsibility of providing for the armed forces. As such it is reasonable to infer that the system of checks and balances that take place by way of the route that the budget of the armed forces moves on its way through Congress is deliberate. It is a way of ensuring that the resources of the nation being so allocated will be used in the most effective manner.

The PPBE system and its predecessor the PPBS system as explained by the former Secretary of Defense Robert McNamara⁸⁷ was to ensure that some method was

⁸⁵ US DoD, NORTHCOM fact page [information on-line]; available from <http://www.globalsecurity.org/military/agency/dod/northcom.htm>; Internet; accessed 3 June 2004.

⁸⁶ US Government, General Accounting Office, [information on-line]; available from <http://www.gao.gov/new.items/d03616t.pdf>; Internet; accessed 3 June 2004. The new security measures that were implemented in the US and specifically those dealing with airport and seaports were required to be implemented by other countries where flights and shipping interests originated. The real cost issues associated with the creation of the Department of Homeland Security are discussed in this 2003 GAO document.

⁸⁷ McNamara 1968, 87-97.

put to the complicated process of allocating and spending defense dollars. Of interest it is to be noted that under the PPBE system, multi-year budgeting is a main feature. Boex et al (2000)⁸⁸ argue that this concept was in reality pioneered by the British in 1961. They argue that although that way of budgeting has several advantages such as facilitating decentralized budget authority, performance measurement, strategic planning, the promotion of transparency and interagency co-operation, there are significant drawbacks to the use of the system. These drawbacks they advocate include inertia in fiscal policies due to forward estimates, the creation of overly optimistic projections, and the ability of the complexity of the process to detract the key players from producing adequate annual budgets.

The system of resource allocation as used by the British is unique and it has undergone significant changes over the years. It is true that the British Empire of old has been replaced by the Commonwealth with each independent member thereof now being responsible for the management of its own resources. That realization has meant that the armed forces of the UK have been significantly reduced in size to reflect that change in its roles. Those roles are now contained in the various White Papers that are prepared on behalf of the Government from time to time to deal with important issues to the nation state. The last such White Paper dealing specifically with the Armed Forces of the UK was prepared and presented in December 2003.⁸⁹ The document specifically speaks of the challenges of providing security in a changing world and the role, which the British armed forces need to play.⁹⁰ Another main point of emphasis of this current White Paper is that of the contents of its chapter five which emphasizes the importance of defence management. The theme of effective management of the people, training, equipment and logistics support collectively termed as military capability, appears to be a move to make the British military more accountable to the people of that nation. Such a move to make

⁸⁸ L.F Jameson Boex, Jorge Martinez-Vazquez, and Robert McNab, "Multi-Year Budgeting: A Review of International Practices and Lessons for Developing and Transitional Economies," *Public Budgeting and Finance*, 2000.

⁸⁹ UK Government, White Paper on Defence, 2003 [document on-line]; available from <http://www.mod.uk/publications/whitepaper2003;Internet>; accessed 25 May 2004.

⁹⁰ Ibid., 2-6.

the MOD a more transparent entity that is eager to form a social partnership with the citizens who are ultimately called upon to fund it, is the type of approach suggested by The Geneva Centre for the Democratic Control of the Armed Forces.

The fact that over the years the British armed forces have been very responsive to the needs of its society is understandable. Cooper (1983) argues that the British society was no longer eager to fund a military in a time when there were no wars to be fought. The British have long had a close association with think tanks and academia as they have sought time and time again to efficiently utilize the resources so allocated to maintain a minimal yet effective force. The present system used by them sees the armed forces being employed as an important conduit for its foreign policy. The Department for International Development (DFID) was created for that very reason as a result of White Papers written in 1997 and 2000. These documents have resulted in the British government advocating that security is the means by which they are better able to support economic development in other parts of the world and hence their commitment to the program. It is this move towards greater efficiency and hence accountability that it uses to drive the most current mandate for its armed forces and which it also wishes to export to developing countries. It can be inferred that the people through the government have acknowledged that there is a need for the armed forces and its projection and support for the nations foreign policy. Yet on the other hand, they are being advised that they will have to operate within the boundaries directly and indirectly imposed by the fiscal constraints of the budget.

This approach by the British is similar to that of their US counterparts in that in the initial stages of the resource allocation stages, i.e. the budget formulation, both systems are working within the guidelines of current policy guidelines issued by the leadership of the nation state. Table 4 below provides evidence of how current the documents of this nature, that are in use by the select countries are.

Year/Nation	The UK	The US	Canada	Jamaica
Most Current	12/2003	11/2002	1994	Pending ⁹¹
Previous	1999	1997	08/1971	N/A
Previous	1998	1996	1964	N/A
Previous		1995	1947	N/A
Previous		1994		N/A

Table 4. Dates of the Most Recent National Security Strategies/White Papers⁹²

Both the US and UK systems however differ in terms of their frequency and hence relevance and responsiveness to present changes in the global environment. The US system can be interpreted to mean that the NSS is formulated based upon the input of the armed forces as well as the other key federal agencies with regards to their assessment of the challenges that could face their nation. How best the projection of military and other coercive means of power can be used so as to safeguard the best interest of the United States would no doubt be its content.⁹³ The NMS formulated thereafter seeks to deduce the plan by which the desired end state of the NSS can be realized. It is formulated with the full expectation that the leadership of the country having already issued the big picture or master plan, will have no reservation in terms of finding the necessary funding needed to realize the objectives. Resource allocation in this context is therefore driven by the desired end state of the nations leadership. To the contrary in the case of the British, it can be argued that while the guiding White Papers⁹⁴ are more general in their outlook of the situation as originally presented by the Armed forces, the main emphasis seems to be on the creation of a social partnership between the military and the taxpayers. This point is supported by Boex et al. (2000) who state that although the multi-year budgeting format used by the British does have a three year

⁹¹ The Jamaican Government has since 2004 made public its intent to formulate a National Security Policy. This information was taken from the Jamaican Gleaner at <http://www.jamaica-gleaner.com/gleaner/20040327/lead/lead1.html>; Internet, accessed 06 June 2004.

⁹² This table was compiled from data taken from the MOD, DoD and DND in the case of the UK, US, and Canada respectively.

⁹³ NSS of November 2002.

⁹⁴ White Paper on Defence, 2003.

outlook as far as expenditure is concerned, funding is only identified for the current year. In the case of the PPBE system used by the Americans, the timeline used for the future is all of five years and the monies to be expended are also matched with that timeline.

This is interesting because while it cannot be argued that a master plan for the British does not exist, it can be easily missed that the said master plan may not reflect the reality of the present situation that faces its armed forces. As such it can be advanced that there exists a lag between the embraced shared vision of the policy makers in the UK and the time it takes to allocate the necessary resources for the armed forces to execute the given mandate. The Secretary of State for Defence and the Chief Secretary to the British Treasury in their presentation to Parliament in July 2002⁹⁵ clearly alluded to the fact that their main agenda was that of abiding by the partnership formed between the armed forces and the civil society. As such it would be reasonable to infer that those in Government are more concerned with dealing with the issues of greater accountability and transparency in the military as demanded by the civil populace, than they are with regards to dealing with the immediate and future needs of the issues vital to the projection of the nations interest as per the plans contained in the White Papers.

The last White Paper that sets out in clear terms the direction that the nation sees the employment for the Canadian Armed Forces was written in 1994.⁹⁶ Prior to that White Papers were prepared in 1947, 1964 and 1971. Cooper et al (2004)⁹⁷ argue that the present state of the Canadian armed Forces is one that reflects great neglect over the past years. Bercuson et al. (2003)⁹⁸ further point out that that said neglect has resulted in the armed forces needing a massive capital outlay so as to maintain its ageing infrastructure as well as preparing itself to assume its rightful role of being able to protect its own borders independently of relying totally on the benevolence of its US neighbors. Even with the occurrences of 9/11 which saw the United States adopting policies that saw its

⁹⁵ MOD, The Government's Expenditure Plans 2002-03 to 2003-04, 2002, 13-17.

⁹⁶ Cooper, Stephenson and Szeto, 2004, 10-12.

⁹⁷ Ibid., 4-6.

⁹⁸ Bercuson, 2002, 1-5.

Homeland Security and Northern Command elements being concerned more or less exclusively with its own borders and airspace, still the Canadians have continued to be guided by a White Paper written in the last century as argued by Bercuson.⁹⁹

It would be correct to say that this White Paper written in 1994 is still a plan that gives a sense of direction for the armed forces of Canada. It however is one that is outdated and of little relevance to the world that has changed significantly since then. Cooper et al (2004) argue that it was fashioned in an era when the Cold War was then just coming to an official end and as such it was thought that the world would now evolve into one global community wherein all nations would live in harmony. The events of 2001, and the wars in Afghanistan and Iraq have certainly proved that the face of the enemy has changed as has his cause and motivation. It would be reasonable to conclude that this lag in terms of the creation of a current policy document that explicitly spells out the role of the Canadian armed forces has had the effect of creating a mismatch between its current needs and the actual allocation of resources from the public purse. In the words of Cooper et al, the situation has become so untenable that the entire armed forces has been forced into a state of disrepair.

This absence of adequate allocation of resources has meant that the Canadians have been unable to sustain themselves in any combat role and as such has found its troops relying heavily on their American counterparts. Cooper et al (2004) argue in favor of the recommendation by the Senate Standing Committee on National Security and Defence (SCONSAD) that the rebuilding process would require that the Canadian troops be withdrawn from the operational area for an extended period. This would be at the end of its current engagements in 2002. The strength and training of the forces could then be brought on par with a more acceptable level. Another critical area of relapse that has been zoomed in on has been that of the Canadian armed forces has been unable to adequately prepare itself to accomplish a primary task of providing disaster relief for the nation. In a nation with such a large land mass and extreme weather conditions, that is certainly a big issue. This concern has been more topical in the area of the ageing fleet of rescue helicopters that according to Bercuson et al. (2003) have more than exhausted their useful

⁹⁹ Bercuson 2002, 1-5.

life. Issues such as the inability of the armed forces of Canada to continue to attract and retain the type of qualified and competent persons who are needed to staff the present day forces has also been expressed as being a major concern.

This issue of having qualified persons to man armed forces in this era now driven by technology has also been given a lot of consideration by both the US and the British Forces. Over the years the US has seriously had a closer look with regards to retaining and attracting qualified officers and soldiers and providing them with a quality of life that puts them on par with the remainder of society. Both of the latest NSS and White Papers of the US and the UK respectively, specifically address this issue. The Canadian Forces continue to operate in an environment that does not clearly deal with this issue from a strategic perspective at the government level.

In the case of Jamaica, the Constitution provides for the existence of a Defence Force and the Defence Act of 1962 specifically contains the law that governs the operations and administrative management of such a force. The Minister of Defence has traditionally been the incumbent Prime Minister but the management of the JDF on a day-to-day basis rests with the Ministry of National Security. Chief Justice Wolfe (1993) argues that the JDF is often collectively grouped with The Jamaica Constabulary Force and referred to as the security forces. It is this issue that leads to the confusion persons within the society often have by their believing that both the JDF and the JCF having overlapping roles that are easily interchangeable.

Budgetary Allocation of resources is made to the Jamaica Defence Force through the Ministry of National Security that also has responsibility for the Constabulary Force and the Correctional Services. It is this relationship between the Ministry and these three critical agents of the state that normally leads many to believe that the overall percentage of the nations resources that are allocated to deal with its security issues is excessive. This is clearly highlighted by Harriot (2002), who argues that in 1998 all of 19 percent of the nation's budget allocated to the Ministry of National Security was allocated to the JDF. While such a disclosure is accurate it also exemplifies the presentation of the facts in a misleading manner.

The JDF's portion of the nation's budget in the above situation is in reality 2.71 percent. Such poor representation of the facts in a society that wishes for the government to always do more for the individual citizens cannot only be attributable to Harriot's desire to have sensationally emphasized his point. The official government website of The Ministry of Finance also reported that for the 2004/2005 financial year, all of 17 percent of the net of debt (recurrent and capital) government expenditure was to be allocated to the Ministries of National Security and Justice. It is easy for the un-informed citizen to feel satisfied that that an adequate amount of the resources of the nation was being expended to provide him with the right to live in an environment free from fear.

Muniz (1989) states that the main roles of the JDF up until 1983 were that of aiding the civil police with internal security duties, drug interdiction and the maintenance of essential services. The Wolfe (1993) report also pointed out that the confirmation of the roles of the JDF were only those as stated by members of the JDF who appeared before the Commission. Wolfe argues that while the role of the JDF is outlined in Section 5 of the Defence Act 1962, his task force was not of the belief that the resources being so allocated to it were completely justified. His recommendation as to the change in the mission statement of the organization to read, To Defend, protect and support, supports the point that the task force could not clearly ascertain the role of the JDF from anyone external to the organization.

Harriot (2002) also argues that there is no official document that clearly states Jamaica's national security policy. In 2004, the roles of the JDF remain as those of:

- Defending the country against external aggression
- Supporting the JCF in the maintenance of law and order
- Assisting in the maintenance of essential services
- Assisting and protecting the civil population in the event of a disaster
- Coastal surveillance and search and rescue operations
- Drug interdiction
- Military ceremonial

None of the roles have been modified since Munez's assessment of the first 25 years of the JDF in 1989 and Wolfe's report of 1993. It is arguable that it is this absence

of a clear and evolving mandate for the JDF that has resulted in both the private citizens of the nation and possibly members of the JDF, from having a clear understanding of the true purpose of the organization.

This disconnect becomes more evident when the resources of the nation allocated to the organization over the years is examined. Harriot (2002) presented data to support his arguments that as a percentage of the National Security and Justice Budget, the allocations to the JDF had moved from a high of 30 percent in 1992 to a low of 18.8 percent in 1998. Table 4 below presents the budgetary allocations to the JDF as a percentage of the amounts initially requested over the period 1990 to 2003.

The Budget Requests and Allocations of the JDF 1993-2003			
Year	Initial Request (JA \$ millions)	Budget allocation	Allocation as a Percent of Request
1993	836.40	676.90	80.93
1994	1,004.70	1,032.20	102.74
1995	1,122.80	1,103.90	98.32
1996	1,677.30	1,222.30	72.87
1997	2,157.10	1,617.40	74.98
1998	2,552.70	1,941.60	76.06
1999	2,959.00	1,618.40	54.69
2000	2,351.00	1,782.30	75.81
2001	2,837.90	1,886.20	66.46
2002	2,890.20	2,177.70	75.35
2003	2,989.00	2,561.70	85.70

Table 5. Allocation of Resources to the JDF as a Percentage of Initial Requests

It can be seen that the budgetary allocations as a percentage of the initial request have fluctuated significantly from a low of 55 percent in 1999 to a high of 103 percent in 1994. The general trend does appear to be between 75 and 80 percent. Table 2 showed that the total warrants eventually provided to the JDF were much closer to the initial requests and it must be highlighted that most of these increased allocations actually came by way of supplementals. The real reason behind these supplemental allocations would

need further analysis, but it would be reasonable to suggest that during periods of abnormal internal instability, the ability of the JDF to have aided the local Constabulary Force would have required more authorized expenditures.

For the 2004/2005 financial year, the allocation of the budget of \$3.01 billion to the JDF was on the premise that all of 89.16¹⁰⁰ percent of it would go towards salaries and allowances for the military personnel. While since the start of the year the average world fuel prices have risen by \$8.15 US¹⁰¹ (29 percent), it would be easy to see that the payment of only the recurrent bills would put a strain on the ability of the JDF to remain effective in such an environment. Petrol prices associated with the operating of land based vehicles and equipment, aircrafts and sea going vessels would certainly reflect a significant level of increase. There should be little doubt that this increased fuel cost would also have an impact on the cost of feeding, clothing and training the force and this would mean that there would be very little funding if any at all, left for the other activities critical to the effective administration of a military organization. Activities such as conducting the requisite level of maintenance of the plant and equipment would be significantly affected, as would be the ability of the organization to keep current with the technology so required to function effectively. The fact that there were literally no resources allocated for capital expenditures is most significant.

E. THE INFLUENCE OF NON-STATE ACTORS

The Americans, British and even the Canadians have recognized that without the creation and maintenance of a suitable environment within which military personnel can operate and function, then the nation risks the migration of those individuals to other areas of the society or even world. While many an economist would argue that the society in general would not suffer since these individuals would still be productive, it must be argued that the nation would not necessarily be better off. Significant resources of the nation are committed to the procurement of arms and equipment to be employed in its security. Military equipment is not normally cheap and as such requires that its operators

¹⁰⁰ Jamaica Government April 2004.

¹⁰¹ US Government, Department of Energy, Energy Information Administration , Weekly Petroleum Status Report dated 21 May 2004 [data on-line]; available from http://www.eia.doe.gov/pub/oil_gas/petroleum/data_publications/weekly_petroleum_status_report/current/pdf/table13.pdf; Internet; accessed 27 May 2004.

be well trained and that suitably qualified replacements be identified on an ongoing basis so as to keep the organization effective. Much research has been done on the need of military organizations to create an environment that will not only attract new entrants but also retain those so qualified and critical to the maintenance of its effectiveness. The lack of adequate resources so as to create and maintain such an environment could easily lead to a situation where those exiting the organization exceed those entering.

Harriot (2002) argue that the JDF as an organization is held in high regards by the society in terms of its respect for the human rights of the citizens. He also raises the point that the JDF as a military entity has not sought to interfere with the democratic process save for an internally thwarted attempted coup plot of 1980. Muniz (1989) makes reference to a US DOD, Congressional Presentation, Security Assistance Program FY1986 in which The JDF's service as a reliable apolitical and constitutional military force was emphasized. Wolfe (1993) was clear in presenting the general belief of the Task Force that the nation should have at its disposal one element of coercive authority not frequently employed. He was equally clear in stating that this coercive authority should be a scaled down version of the JDF. The Wolfe Report (1993:38-41) addresses the Terms of Reference V, which was that of making recommendations on the issue of how to exclude political interference from influencing the security forces in the execution of their duties. The fact that such an issue was given as a term of reference is significant in of itself and would explain the reason for the task forces insistence that there remained a role for the JDF in the Jamaican environment.

Numerous studies have been done on the significance of political tribalism as a way of life in Jamaica. The fact that the JDF has been able to distance itself from being branded as politically biased has been credited on the effect of the British influence inculcated by the training of the Officer Corp at the British Military Academies.¹⁰²

¹⁰² Muniz (1989) argues that despite the diminishing influence of the British after the gaining of Independence by Jamaica, senior officers continue to be trained there. This has meant that the US influence from a military perspective, was primarily by way of its provision of equipment under its Military Assistance Program.

Muniz (1989) in his study of the first twenty-five years of the JDF, likened the US penetration of the organization in terms of it being responsible for the governments of the day embarking on a Defence Policy and Planning directed only at internal security issues up to 1983, to a quote about the manner in which the affairs of the country were being dealt with by the then Prime Minister.

He attributes to the late Professor Carl Stone:

In a real sense, the World Bank, the IMF, and Washington have been more important in shaping the direction of economic and social policies in the country since 1980 than any domestic interest, pressure group, or source of policy influence.

This fact that Jamaica's defence policy was not being determined by the coordinated and rational inputs of interest groups within the nation but rather by external actors is re-enforced by the activities that the JDF became involved in after 1983. Muniz argues that Jamaica's defence policy underwent a significant change when it agreed to serve as the US' proxy in the sub-region for the buildup and eventual invasion of Grenada - Operation Urgent Fury in October of 1983. Jamaica's supporting role in Operations Restore Democracy 1994 and the United Nations Mission Haiti (UNMIH 1995), Operation Carib Trinidad Coup 1990, seemed to have confirmed that the JDF was to be used as a regional resource in the area of conflict resolution and disaster relief. The United Nations charter to which Jamaica is a signatory, and in particular article 43 of Chapter VII states that:

All Members of the United Nations, in order to contribute to the maintenance of international peace and security, undertake to make available to the Security Council, on its call and in accordance with a special agreement or agreements, armed forces, assistance, and facilities, including rights of passage, necessary for the purpose of maintaining international peace and security.

It is against this background that the role of the government and facilitation of the involvement of other members of the civil society in the resource allocation decision for the military in Jamaica is considered as an issue worth studying. A nation state in today's world does not become so recognized by the United Nations General Assembly as being sovereign and possessing a vote irrespective of its size and or population solely for

diplomatic expediency. It has the added responsibility of abiding by the rules of that organization and playing its role in the global community. The government of Jamaica recognized that role it had as a part of the global community when in the aftermath of the breakdown of law and order in Haiti in January 2004; it abided by the rules of the United Nations and accepted those refugees from that country who arrived upon its shores. The public outcry in some cases that the country was ill prepared to be generous to its neighbors in their time of need was not entertained.

F. CONCLUSION

In this chapter the intent was that of comparing the budget processes employed by each of the four nations of this study with an emphasis on that aspect associated with deciding how much of the nations resources should be devoted to national security. The approach taken was that of examining first of all some of the theoretical approaches that have been advanced for how this process should be conducted in a modern democracy. In particular the arguments advance by Born et al (2003) in the DFID publication concerning the approach to be taken by parliamentarians so as to ensure that an adequate oversight of spending on the security sector is maintained. Additionally theories advanced by Widavsky (2004) and Ball (2004) that suggests that the process for the allocation of resources to the military should be no different from the other sectors of society, and should be transparent and well thought out, were discussed.

The processes used for the allocation of resources for the militaries in the countries of the study were then revisited. Thereafter the output of these processes were examined to see how the allocations differed within each country over the period 1993 and 2002 in terms of constant 2000 dollars and as a percentage of the nations GDP. It was found that all countries with the exception of Jamaica had a declining allocation of resources over the period. Jamaica on the other hand recorded allocations that can best be described as erratic in nature. This could be explained by the fact that not only was \$ millions scale used different but also with such a small allocation, any slight increase and or decrease would appear to be meaningful. When the comparison was made on the basis of the percentage of the nation's GDP that was allocated for national security it was seen that over the period the nations tended to remain in the said percentage range. Those countries with either a clear separation of powers between the Executive and the

Legislative arms of government and those with a clear social partnership between the government and the society also committed a larger percentage of their resources to national security.

The fact that Canada and Jamaica had an outdated and non-existent national security policy document respectively, supports the belief that the percentage allocations of below 2 and 1 respectively supports the belief that national security does not enjoy as high a level of priority as it does in the UK and the US. It was argued that the absence of this policy document also gave an indication that the resource allocation processes in these two countries were in reality the sole output of the Executive. In the UK and the US transparency in the resource allocation process resulted either from the legal separations of duties between the Executive and the Legislative, or the presence of laws in support of the freedom of information. This resulted in those involved in the process being more willing to seek informed input by way of research, hearings and or the use of data from many different sources. In Canada and Jamaica the emphasis of the Executive arms of government seemed more akin to that of meeting short term budgetary objectives such as reducing and or controlling public expenditures.

Finally the chapter presented an overview as to the reason why under the auspices of the United Nations Chapter VII these nations had more than just a personal stake in the maintenance of effective militaries. On the premise that they are all signatories, it gives them a legal responsibility to be prepared to assist with the preservation of peace internally and externally to their own territories. This of course being only under the auspices of a UN mandate.

V. RECOMMENDATIONS FOR CHANGES TO THE JAMAICAN RESOURCE ALLOCATION PROCESS FOR THE MILITARY

A. INTRODUCTION

When Jamaica gained its Independence on the 6th of August 1962 it was already a nation state that had a long history of having been of strategic significance to both the Spanish who discovered it and the British who fought and successfully annexed it as a part of the British Empire in the 17th century. The modern day Jamaica Defence Force (JDF) evolved from British Regiments, The West India Regiment, and the Jamaica Regiment. They all served the incumbent Governor of Jamaica and aided in the enforcement of law and order and the suppression of any act of public revolt that occurred. Such a vital role ensured that up to the time of independence, the allocation of resources for the military in Jamaica was of utmost importance to those who led the Colony. The location of the Barracks of the modern day JDF on prime real estate would infer that there was an abundance of resources during that period.

The modern JDF is now 42 years old but it can be argued that its roles have not changed significantly over the years. Its ability to adequately employ the personnel and equipment to effectively deal with the challenges of today's world cannot be considered as being unchanged. It is true that in the years of the cold war era it did not have the tanks, aircrafts and or battleships to ward off any external aggressors as Harriot (2002) has argued. But in today's world when even the great powers have acknowledged that the enemy posing the greatest challenge to peace is the faceless one, the organizations relevance is even clearer. Threats to the survival of the nation state as stated by the Honourable Prime Minister¹⁰³, have to be destroyed before they destroy the state. Such a task calls for the employment of the nations resources to adequately provide for the protection of the state in both the short and long runs?

In this chapter it will be argued that changes need to be made to the present system of resource allocation for the military in Jamaica. Arguments will be presented that such changes cannot be viewed as being only a one-time fix but rather as an ongoing process that will have to look at both the short, medium, and the long terms. Where the

¹⁰³ Boyne, August 2003.

issue of affordability is raised, evidence will be provided to disprove the belief that the resources to make the change does not exist. Finally, the chapter will seek to provide an indication of the path that will need to be taken if indeed the survival of Jamaica as a nation state that champions the case for democratic rule and adherence of the rule of law, is to be ensured.

B. BACKGROUND

Harriott (2002) questions the relevance of the JDF from the perspective that since Jamaica as a nation state faces no external threat and as such would be better served by reallocating the resources so spent to provide better internal protection to its citizens. Before him Wolfe (1993) raised the possibility of the JDF being done away with while Golding and Seaga¹⁰⁴ suggested that the JDF be merged with the Jamaica Constabulary Force and a commitment made by such a new organization to deal with the plague of crime and violence. The public out-cry to a statement by Admiral Lewin¹⁰⁵ that he had no problems with the idea of the merger of the JDF and the JCF and that he in fact would welcome any member of the JCF who wished to make the transition, is understandable if they were not knowledgeable of earlier writings. Harriot (2002) somewhat contradicts himself when he argues that the JDF is held with high regards within the Jamaican society, when he does not make mention of the fact that the said cannot be said of the entity that he recommends be enlarged i.e. the JCF. Wolfe (1993), the National Task Force on Crime (2002), Forbes (2004)¹⁰⁶ all speak of the problems within the Jamaica Constabulary Force with regards to corruption and the possibility of members of the JCF being involved in unlawful activities in the society.

There are many examples in the world today that speaks to the value of a state having at its disposal a grouping of professionally trained men who, although recruited from the society, by their employ and protracted training free of the daily direct influences of society, can be so employed in a time of crisis. Jamaica's immediate

¹⁰⁴ Both Bruce Golding and Edward Seaga as leaders of political parties opposed to the government have repeatedly advocated that an enlarged JCF at the expense of the JDF is needed if the high levels of crime in Jamaica are to be satisfactorily dealt with.

¹⁰⁵ Admiral Lewin, Chief of Staff of the JDF stated that members of the JCF would be welcomed into the JDF. This was in response to a question raised during a radio interview on the "Breakfast Club," Tuesday, 13 May 2003 about talks of merging the JCF and the JDF.

¹⁰⁶ Francis Forbes has been the Commissioner of Police in Jamaica since 1994. He has made it his mission to rid the JCF of those personnel who do not wish abide by the law.

neighbor, Haiti, provides the most recent example. That nations last democratically elected leader, Jean Bertrand Aristeed in 1994 disbanded the nations military which had a history of interfering with the countries democratic rule. In 2004 when politically motivated thugs went on a rampage in his nation, the civil police fled the police stations and the mayhem that prevailed will cost that economy much of its resources to recuperate in the years to come.

C. THE RELEVANCE OF THE MILITARY IN JAMAICA

In Jamaica, there have been many recent examples of the nation coming to a literal standstill as events such as the Gas Riots of 1999 and the violence in West Kingston in 2001, demonstrates. Both events have caused the country to be portrayed in a negative manner on the international scene which has also had the effect of causing it not only to lose money due to a disruption of the local activities of the economy, but also due to a fallout from visitor arrivals and some level of apprehensiveness pertinent to existing and pending FDI. Such visitor arrivals are significant from the perspective that it provides the country with income from its number one \$US revenue source i.e. tourism.

Table 6¹⁰⁷ below gives an overview of the JDF's aid to the civil powers over the last 14 years. It is to be noted that the above table has two columns that make reference to aid to the JCF. The first deals with the ongoing internal security operations, which results in the JDF being called upon to assist the JCF for an indefinite period. Tasks such as daily routine patrols within inner city communities with a usual ratio of one civil police to every three soldiers, and the provision of troops for other special operations such as cordon and searches fall within this category. The second column deals with the times that the JDF has actually assumed the majority of the roles of the JCF due to their taking and or threat of industrial action.

¹⁰⁷ This table was prepared from the contents of the official operational files held at the Headquarters of the JDF, by Sgt Henry H. It contains the actual operations on which JDF troops were deployed and excludes those that they were merely on standby for periods of up to 72 hours.

At the other end of the spectrum it can be observed that the members of the JCF and other members to the governments employ, collectively termed as the essential services, often do not find it unreasonable to openly defy the law and take industrial action. While many may laud it as being a true benefit of living in a modern democracy, such actions are still illegal.

Years	JCF-Joint patrols	JCF- Strikes	Electorial Office	Correctional Services	Water Agency	Hospitals	Fire Services
1990	X						
1991	X						
1992	X	Sep					
1993	X		Mar & May		Jul	Dec	Dec
1994	X	Oct				May & Nov	Nov
1995	X				Feb		
1996	X				Mar & Jun		Oct
1997	X			Aug			
1998	X			X			
1999	X	Mar & Jun		X			Dec
2000	X			X			
2001	X		Mar	X			
2002	X		Oct	X			
2003	X		Jun	X			

Table 6. Aid to the Civil Powers Operations for the Period 1990 to 2003. (From HQ JDF Operational Files)

Often termed as “sick outs”, the reality is that whenever they the JCF as a body decide that is their intent to pressure the government into granting them a salary increase to their suiting, the end result is that the JDF has had to take up the void and assume a role for which they are ill prepared from a training perspective. Such behavior was last recorded as having materialized in 1999 but is often used to threaten the country’s administration, again became topical when it was reported that the incumbent Commissioner of Police, Mr. Francis Forbes, only recently publicly endorsed a proposal from the Police Federation on the issue of forty-hour work weeks for the civil police.¹⁰⁸

¹⁰⁸ This occurrence was as reported in the Jamaican newspaper, The Daily Gleaner of 20 April 2004; at <http://www.jamaica-gleaner.com/gleaner/20040420/cleisure/cleisure1.html>; Internet, accessed 20 April 2004.

Against the background of the present economic condition that the country now finds itself in, relative to the high percentage of its revenue that has been earmarked for debt repayment, the arguments of Wolfe (1993), Golding, Seaga, and Harriot (2002) that the creation of one enlarged police entity with military reserves in support, should never be considered as being in the nations interest.

The high regard for the professionalism of the JDF as argued by Muniz (1989), and Harriot (2002) means that there are solid grounds for the organization to be invested in until such a time that the Jamaican society evolves to that mythical and peaceful society twinned with the type of economic growth as seen in Singapore. The analogy made by Cooper (1983) of the military being likened to that of an insurance policy being bought by a nation is a valid argument. As he further argues, the tendency of the nation to underinsure when all is well is as much of a reality as it is that great returns are expected in the aftermath of a disaster. Bastiat (1848) in arguing that those employed to the military could be better employed in the productive sector of the economy also contradicts himself when he offers his definition of government. In advocating that:

Government is the great fiction through which everyone endeavors to live at the expense of everybody else.

He argues in the buildup to his definition that the many mouths of the press and others of society to include those in the opposition are all beseeching of those in a leadership position to do more but without raising more taxes. These calls on the government are all valid but its chief responsibility should be that of providing first and foremost public goods to the society. Security is the purest form of a public good as is know to man in that is it both non-rivalrous in consumption and most of all it is non-excludary.¹⁰⁹

This leads to the question of why is it that the allocation of the resources to the JDF has been given such limited attention over the years. Nunez (1988) provides a very good example of certain political decisions in the first 25 years of the existence of the organization that has contributed significantly to the problems of resource allocation for the JDF today. In particular he has looked at the levels of generosity given by the United

¹⁰⁹ This definition for a Public Good was taken from Rosen, Harvey, S., *Public Finance*, Sixth Edition, McGraw-Hill Irwin, 2002, 55-58.

States of America based on the ideologies of those who led Jamaica over the period of the 1970's and 1980's. The Military Assistance Program (MAP) offered by the US, was used to provide to the taxpayers of Jamaica the type of reprieve that meant that expenditures from the public purse for purchasing and maintaining aircrafts, ocean going vessels and professional training, were all at the expense of someone else. The reality that with the democratization of Europe in the late 1980's and early 1990's meant that the foreign policy of the US was adjusted so as to allow it to pursue its aims and objectives elsewhere, has still eluded many in the Jamaican society.

The general belief that national security is important but yet it is not as important as the other needs of society does appear to prevail in the Jamaican environment. They as a society, are content with having a military but in the same breath will argue that expenditures from the public purse so as to accommodate men in barracks is of little benefit to the society. It is surprising that many of those who are of that belief will readily cite the problems that prevail in the Jamaican society as being due to the ineptitude of those elected to public office. Comparisons of the Jamaican society with others such as the US, the UK and Canada are often made under the guise that they are all safer societies to live in and that they too boast enviable records of development and prosperity. The question that is in need of answering however is that of "To what extent does the civil populace of Jamaica demand of their elected officials that national security be given priority attention?"

It is on this basis that the United Nations Universal Declaration of Human Rights and in particular its Article 3 explicitly states:

Everyone has the right to life, liberty and the security of person.¹¹⁰

Jamaica became a signatory to that charter in 1962 when it joined the United Nations. The declaration is very specific in terms of how it prioritizes the responsibility of the state to provide each and every citizen with the right to shelter and the ability to live in an environment free of fear.

¹¹⁰ UN Org, Universal Declaration of Human Rights [document on-line]; available from <http://www.hrweb.org/legal/udhr.html>; Internet; accessed 01 June 2004.

The concerns raised by the Honourable Prime Minister and his Minister of National Security about the challenges facing the very survival of Jamaica as a nation state are a reflection of similar sentiments being echoed by members of the society such as persons of the business community, academia, and by no means least, the press. Calls for the government to be held responsible for the state of lawlessness in the society and the inability of the civil police to function effectively are rarely supported by calls for a concerted effort for the country to address the issue of national security in the short, medium and long run. It becomes topical when events such as the gas riots of 1999 and the events of West Kingston of 2001 caused the economy to come to a standstill and other countries, to warn their citizens that it is not safe to visit Jamaica, issue adverse press reports.

Equally true is the fact that there are no calls for any meaningful investment to be made in the JDF so as to support the procurement of proper equipment and training needed to for it to effectively execute its mission, until a problem exists. All of Jamaican \$44 million was expended to enquire into events associated with the Western Kingston occurrences of 2001.¹¹¹ The fervent calls made to the government so as to have had it facilitate that enquiry, were also echoed in the international community by the many local interest groups who wanted to protect the rights of those members of the society whose lives were disrupted during the period. It would be interesting to speculate how much support there would have been if that amount had been added to the Ministry of National Securities budget for having facilitated the provision of sensitivity training for both the members of the civil police and the JDF.

The historical recollection of data is of most value when it is used to explain past mistakes and used to highlight valuable lessons that may prevent the reoccurrence of any such mistakes. To that accord this paper will now focus on the way forward. World trade facilitates the ability of a nation to use its comparative advantage so as to have it better employ its resources. Developing or emerging economies such as Jamaica rely heavily on world trade since it is not self-sufficient and hence must trade its bauxite, agricultural and tourism products for other commodities such as petroleum products and grains. Because

¹¹¹ This figure represents the official disclosure made to the Jamaican Parliament on 31 July 2002.

of its youthfulness as a nation, it becomes critical that it creates an environment that is attractive to foreign investors and their capital. Such investments will aid the ability of the government to drive technological advancements and improve the nations infrastructure. As argued by Machiavelli, it is good laws and good arms that are the hallmark of a nation. These are the very things that those with capital available for investment look for when they are in search of areas, countries, and regions within which to invest. The fact that the World Bank listed Jamaica in the top ten of its list of the best places for establishing and conducting business¹¹² should be seen as a testament of the existence of good laws and perhaps a somewhat safe environment for FDI.

There have been many writings on the significance of a nations development being linked to the creation of a stable and secure environment. The NSS of the US speaks to the belief of that nation that its interest of political and economic freedom is best protected in an environment wherein their allies recognize and abide by the rule of law facilitated by the democratic process. In its policy document, the UK's Department of International Development (DFID)¹¹³ re-emphasizes the point originally presented in the UK's White Paper on International Development, Eliminating World Poverty. It specifically speaks to the importance of the security services be they the military, paramilitary and or intelligence services, in ensuring that the economic, personal and political security so necessary for the development of a nation, exists. Canada on the other hand through its Official Development Assistance (ODA) Program¹¹⁴ also expresses its desire to participate in the advancement of the world by focusing on the human rights aspect of its interactions with other nations.

It is the intent of the US, the UK, and Canada's to lend a helping hand to countries with emerging economies. Such kind gestures are commendable but the real issue still remains that of the willingness of those countries being so assisted to help

¹¹² This 2004 World Bank report presents the rankings of countries using the indicators of how easy it is to register companies, get credit, hire and fire staff, register business contracts and the flexibility of competition legislation.

¹¹³ UK Government, DFID Policy Document [document on-line]; available from http://www.dfid.gov.uk/pubs/files/poverty_security.pdf; Internet; accessed 24 April 2004. This paper looks at the role that security plays in the development of a nation.

¹¹⁴ Canadian Government, Canadian Foreign Policy Document [document on-line]; available from http://www.dfait-maeci.gc.ca/foreign_policy/cnd-world/chap6-en.asp; Internet; accessed 1 June 2004.

themselves along the path of economic well being. The lessons emanating from the developing countries all suggest that the ability of a nation to ensure that the basic rights of their citizens are protected must precede all forms of growth. It is important that the content of such messages be fully grasped and from it a willingness to take personal ownership for the way forward is a task that must be assumed by the citizens of a nation.

Exactly what does this mean and how it can be realized now becomes the main questions that are in need of answering. Democracy by its very definition¹¹⁵

a government in which the supreme power is vested in the people and exercised by them directly or indirectly through a system of representation usually involving periodically held free elections.

would infer that the affairs of a nation-state are the collective responsibility of all of its citizens and not just those elected to government. While it is understandable that every citizen would possess his or her own self interest and therefore wish to advocate some opinion about it, there are few occurrences that have an impact on all citizens no matter how much they do seek to shelter themselves. These are the feeling of insecurity stemming from high incidents of crime, violence, and incidents of civil disorder and the aftermath of a natural disaster. It is not unusual for the citizens of a country to have some amount of disconnect between the affairs of the nation state and its preparations to reduce the protracted effects from these types of occurrences until they find themselves in need of being protected and or rescued from such events when they do strike close to home.

D. AN EXAMPLE OF ISSUES CRITICAL TO THE PROTECTION OF JAMAICA'S SHORELINE

Griffith (2003)¹¹⁶ argue that the dimensions of narco-trafficking is much more complex than is often realized. He terms it as Geonarcotics and in elaborating just how complex the issues surrounding it is, he advances that nations in the Caribbean have to also deal with production, trafficking, consumption and abuse, and money laundering problems. The countermeasures that are needed to deal with the problem are even more complex and involve many actors as depicted in Figure 16.

¹¹⁵ As defined by *The Webster's Universal Encyclopedic Dictionary*, 2002 edition.

¹¹⁶ Ivelaw L. Griffith, "The Caribbean Security Scenario at the Dawn of the 21st Century: Continuity, Change, Challenge", *The North- South Agenda Papers*, September 2003 [papers on-line]; available from <http://www.miami.edu/nsc/publications/Papers&Reports/CaribSecurity.html>; Internet; accessed 18 February 2004.

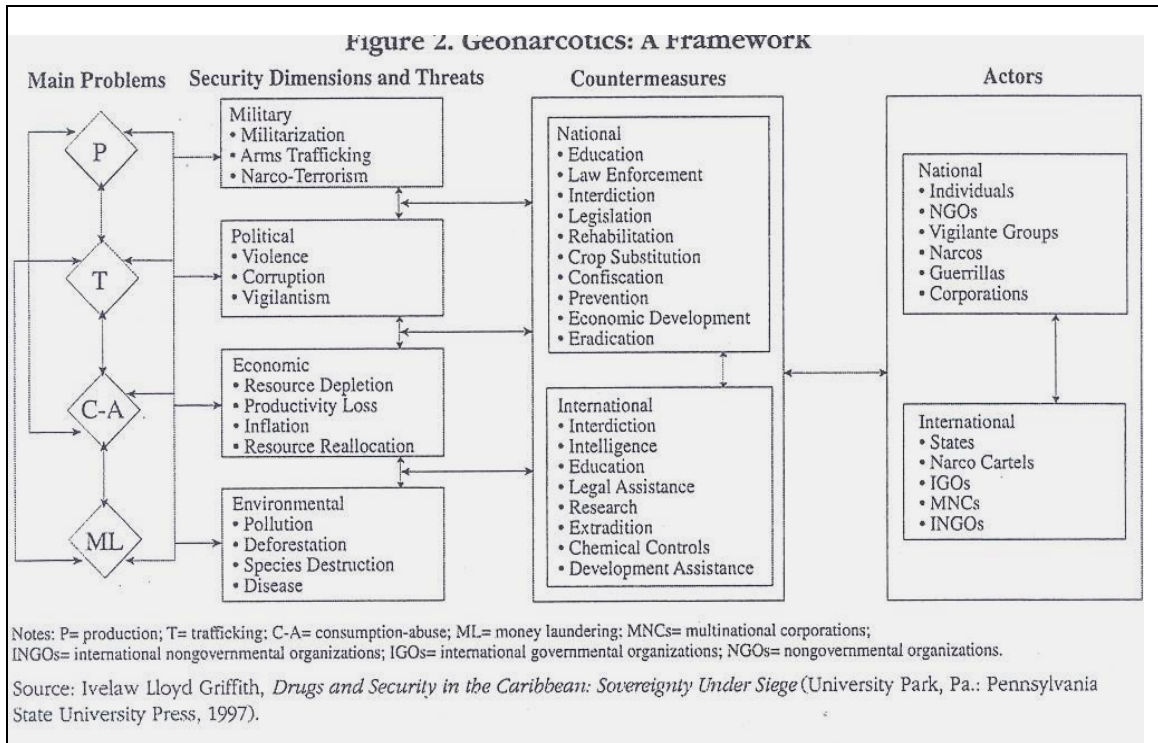


Figure 16. The Complexity of the Drug Trade. (From Ivelaw L. Griffith “The Caribbean Security Scenario at the Dawn of the 21st Century: Continuity, Change, Challenge”, *The North- South Agenda Papers*, September 2003)

Given just how significant the problems can be to a nation if the security dimensions and threats as outlined in figure 16 are left unchecked, it is argued that every effort be made to deter the problems from getting to the shores of the nation. In a manner similar to that done by the US, it is in the interest of Jamaica to focus its efforts on forward deterrence. The employment of the resources of the nation so as to significantly reduce the ability of other major international drug cartels from easily using Jamaica as a transshipment point should be considered as a very viable option. It can be argued that such deterrence would eliminate the need for some of the rehabilitation.

Jamaica as an island has many ports and inlets that serve the nation well in its bid to play an active role in world trade. While much efforts are made to make the larger and more active ports secure, it cannot be denied that opportunities do exist for the numerous others to be used in the narco-trade. Deterrence that is to be meaningful would have to incorporate the employment of air and sea resources within and forward of the nations

exclusive economic zone (EEC) on an ongoing basis. Also true would be the fact that the employment of other resources such as radar stations would also be called for so that rapid response teams can be deployed to deal with those issues.

The effective employment of these resources of the nation and the requisite trained support personnel, would require that information such as contained in Table 7 be also considered in the analysis.

Factors to be considered for Shoreline Protection			
	Sea assets	Air assets	Land Based assets
Nos of Vessels			
Nos of Staging points - land			
Nos of Staging points-off shore			
Levels of operation	hrs/day	hrs/day	hrs/day
Operational cost	vessel/hr	air craft/hr	Station/hr
Maintenace	\$/hr	\$/hr	
Training			

Table 7. Issues in Need of Consideration Regarding Shoreline Protection.

Those with the responsibility of deciding how much resources are to be allocated would have to use this information so as to capture the true cost of this one aspect of the national security cost estimate. In the Jamaican environment of today, it is worthwhile to mention that some of the costs of operating its present sea and air assets should be a real eye-opener for both those within and out of the security field. As per table 7, deciding the amount of vessels to allocate to patrol the nations waters have to be taken in the context of the type of protection that will be expected. The patrolling of both the North and South Coasts from a forward position and on a round the clock basis with vessels relieving each other in place, does not mean that four vessels will be adequate. Rather it means that at least four fully operational vessels will be required on an ongoing basis.

Figures presented by the JDF Coast Guard and the Air Wing reflect that the cost of operating one Off Shore Patrol Boat is US\$ 631,750.00¹¹⁷ and US\$ 510.00¹¹⁸ per hour for the operation of one turbo-propped aircraft for coastal surveillance. There should be no denying that the issues of deciding what assets to use, how to employ, and what targets to set from an effectiveness perspective are complex ones. They are so complex that as Janis argues, several formal steps have to be taken if the closure involving both the internal consolidation of the choice made and a social commitment to the selected choice is to be attained.

Janis' steps are laid out in Figure 17. The information thus far presented would be used in the analyzing and reformulation of the problems identified at the onset. In particular the questions raised under step three and particularly numbers 6 and 7 which asks if there are any additional alternatives and what additional information might reduce uncertainties, are critical in the search for the best realistic options. Step 4 of Janis' approach would require that some amount of tradeoffs would have to be made before a final decision is taken as to what course of action the nation will take. The calculation and presentation of such cost-benefit analysis in terms of national security should be seen as an ongoing process that would be a part of the countermeasures forwarded by Griffith (2003). He stresses the importance of ongoing international research, education and intelligence and points out that both the national and international actors have a role to play.

¹¹⁷ This figure includes the total cost of maintaining and operating one Off Shore Patrol Vessel per annum. It comprises \$168,000.00 (maintenance), \$120,000.00 (spares), and \$343,750.00 (POL). The JDF CG provided this breakdown of figures in May 2004.

¹¹⁸ This figure is inclusive of calculations for fuel and lubricants, airframe maintenance, engine maintenance, and safety equipment. The costs associated with the deployment of fixed winged aircrafts are significantly less than those associated with the helicopter fleet. The JDF Air Wing provided this breakdown in May of 2004.

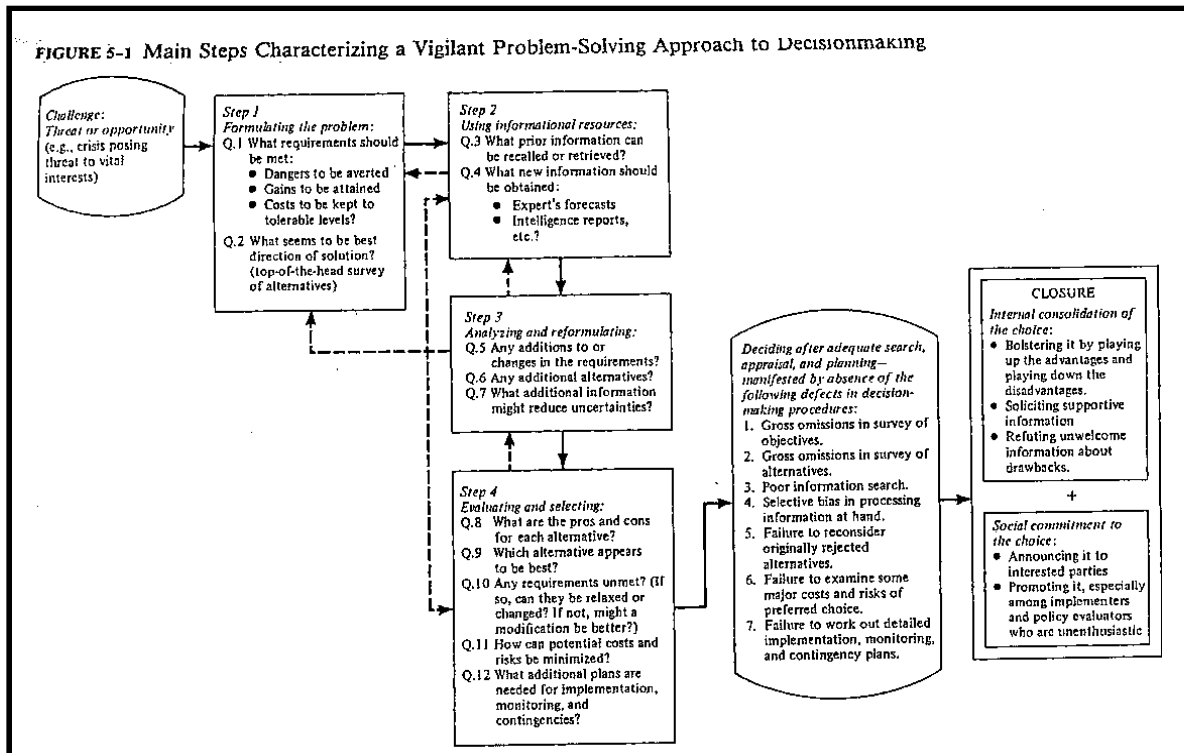


Figure 17. The Steps in the Rational Decision-Making Model. (From Janis' *"Crucial Decisions"* 1989)

It must be argued that in the absence of these considerations, a nation will not be able to truly enjoy the type of social commitment that is required for national security to be effectively implemented and successful. Those who ultimately decide the amount of resources that should be allocated on behalf of the nation should appreciate that the promotion of the complex processes that accompany deciding what price to pay for the nation's defense, should serve to encourage others to participate in the process.

E. WHICH DECISION MAKING PROCESS IS REALISTIC

Despite the fact that for years the United States has been the largest spender in the world economy and especially in terms on military matters,¹¹⁹ after the disaster of 9/11 2001, there was much public outrage on the fact that not enough was being done to protect its citizens. The creation of the Department of Homeland security and the creation of the Northern Command to deal specifically with the mainland security of the US quickly followed. The reality of the possibility of future attacks of that magnitude also

¹¹⁹ According to the 2003 edition of the SIPRI Yearbook, the US accounted for 47 percent of the US \$784 billion spent on the world's militaries in 2002.

has meant that tremendous resources have had to be employed globally, so as to provide the added security associated with the protection of flight, and other transportation routes. The Canadians who according to Cooper et al (2004), prefer to consider themselves as being safe from the general tumult of the world, have also now had to accept the added responsibility of security costs associated with sharing their land border with the US. Bercuson et al. (2003) argue that whereas the Canadians since the late 1990's, were comfortable with divesting the responsibility of securing its borders to the US, post 9/11 has driven home the reality that their trade relies heavily on access to the US. The US NSS clearly emphasizes that it will be based on a distinctly American internationalism that reflects the union of its values and national interests. It is true that the Canadians value their outlook of the world around them but as Bercuson et al. (2003) further points out:

By engaging other nations, Canadians enhanced national pride while protecting national interests. Pride is essential to a people's sense of self-worth; interests are essential to a people's well being. Canada's population base, and thus its manufacturing infrastructure, is too small and too limited in capacity to sustain the living standards of Canadians, including the level of government services necessary not only for a good life, but even for survival. Thus Canada must trade.

It is the intent of the authors to emphasize that in this modern day global village, the desire of a nation to pursue its own interest in oblivion of the other drivers such as trade, security, partnerships and consensus, cannot be seen as being beneficial to its citizens. Canada is a developed country with many resources. Its expenditures for border security in the aftermath of 9/11 is one area in which the realities of choice versus diplomacy has forced the leadership of that nation to rethink the issue.

Jamaica as a tiny player in the world economy has not been spared the burden of the expenses associated with the need for the implementation of new global security procedures. While the nation cannot deny the heavy financial burden to the society such policies as it concerns air and seaport security will impose,¹²⁰ the cost to the society for

¹²⁰ Howard Walker, "*Despite Costs, Ports must be Upgraded*" The Sunday Gleaner, (Kingston, Jamaica), 8 February 2004 [newspaper on-line]; available from: <http://www.jamaica-gleaner.com/gleaner/20040208/lead/lead7.html>; Internet; accessed 1 June 2004. In this article he speaks of the US\$100 million cost of upgrading security at the islands ports so as to meet the new International Ship and Port Security Code (ISPS).

non-compliance will be greater. Indeed the US\$100 million bill for this exercise will ultimately become the burden of the citizens since these costs will be passed on by way of higher wharf fees.¹²¹

To return to the issues of a more immediate threat to the survival of the rule of law and hence the nation state of Jamaica. It is those issues linked to narco-trafficking activities that are most profound. Griffith (1996) argues that the vast amount of money that flows through the illicit drug trade is significant enough to destabilize the entire Caribbean region. The people and sophisticated equipment that can be bought with the money so generated, renders the amount of resources allocated by the government to the Ministry of National Security of US\$250¹²² million as being somewhat insignificant. Of this some it is US\$150 million and US\$50 million are so earmarked for expenditures on the Jamaica Constabulary and Defence Force respectively. Contrary to the belief of Wolfe et al (1993), Harriot (2002) and those who are of the opinion that Jamaica as a nation has no threat of invasion of its borders/shores, long before 9/11, the official position taken by the nation was that the drug trade was a clear threat to the rule of law.

The incumbent Prime Minister of Jamaica, the Honourable P.J. Patterson was clear when he stated to the rest of the world¹²³ from as early in 1998 that:

The threat to international peace and security can no longer be viewed in purely military and political terms. Illicit trafficking in drugs poses a serious threat as all too often we witness the pervasive and pernicious effects of the production and consumption of illicit drugs. The massive demand and the lure of profits of the trade, have spawned a transnational network of criminals with considerable resources and influence. The activities of these groups are particularly threatening to small states such as those in the Caribbean, where the state apparatus is often stretched to deal with their coercive capability. We, therefore, view bilateral and regional co-operation as critical to combating drug smuggling.

¹²¹ Trudy Simpson, “*Higher Port Fees Worry Businesses*”, The Daily Gleaner, (Kingston, Jamaica), 3 May 2004 [newspaper on-line]; available from: <http://www.jamaica-gleaner.com/gleaner/20040503/lead/lead1.html>; Internet; accessed 1 June 2004. The article speaks of how a large portion of the cost of upgrading the security at the islands ports, is to be recuperated from the users.

¹²² The exchange rate of US\$1 = J\$60, is used for this calculation which takes into account the Gross J\$15 billion, fiscal year 2004/2005 budget allocation for the MNS.

¹²³ The Honourable Percival J. Patterson, “A Policy Statement” (an address to the fifty-second session of the UN General Assembly, NY, NY, 25 September 1997), [text of speech on-line]; available from <http://www.un.int/jamaica/UNGA52.htm>; Internet; accessed 2 June 2004.

An associated problem that is particularly dangerous for us is the smuggling of arms and weapons of destruction, a significant factor in spreading a cycle of crime and violence. CARICOM has pushed for a regional initiative to attack this problem. We look forward to hemispheric support, particularly in restricting illegal exports from the main areas of manufacturing and sale of small arms.

Jamaica is used as a major transshipment point for cocaine from Columbia to the US and Europe and the current level of activity continues to be a part of the country's report card from the World Bank, and other global watchdogs such as the US State Department and CIA. All of this would suggest that there exists a major problem facing the nation that is in urgent need of being addressed. The convening of the National Task Force on Crime in 2001 and the releasing of its findings was certainly the prolonging of the start of a process. The execution of this first phase of the problem recognition aspect of rational decision-making is but a repeat of earlier studies done by the Wolfe (1993), and those before him. According to Figure 17 the next steps in the process are those of using information resources so that the problem can be reformulated once analyzed from different perspectives. The step of evaluating and selecting the best course from the lot will ultimately result in the selection of a course of action that is not based on poor information search.

F. WHO SHOULD BE THE DECISION MAKERS?

Acknowledging that the drug trade presents a threat to the nation and that the majority of the drugs passing through Jamaican waters on its way to other markets such as the US and Europe, and yet not taking the necessary action to protect Jamaican waters despite the cost does not appear to be based on a well thought out plan. Protecting the nations shoreline means that resources such as Off Shore Patrol Vessels, radars and aerial reconnaissance around the clock requires that an adequate amount of resources have to be allocated for that purpose. Those elected to public office must recognize that with the technology that is now readily available in the world, cost benefit studies and simulation techniques have to be employed in the making of sound decisions on behalf of the nation.

The use of academia, and other expertise available locally, through international agencies, and diplomatic channels should never be considered as being outside of the realm of making resource allocation decisions on behalf of the nation. The World Bank in

its 2003 report on Jamaica argued that due to the high levels of crime and violence much productivity is lost from the society. The point of interest now becomes the question of, ‘what is it that would prevent the nation from committing the money that is projected to be lost due to crime, for use to strengthen the capacities of the agents of the state that are employed to protect its democratic beliefs?’

Both the PPBE system employed by the United States and the system of budgeting used by the British, provide evidence that resource allocation for national security purposes in these nations are the result of rational decision making processes. From a theoretical perspective, DFID advances the position of their country as to the reason why security is necessary for a developing country to move along a path of sustained development and poverty elimination. The writers argue that countries with emerging economies such as Jamaica, must first of all fully comprehend the need for national security to benefit from the inputs of key players in the society. It is advocated that the ideal process should involve the steps as per Figure 18.

Ball (2002) argues that international norms, national legislation and national practices comprise the three levels that need to be considered in the formulation of national policies re the military. If Griffith’s¹²⁴ definition of security as being about the protection and preservation of people’s freedom from external attacks, internal subversion and from the erosion of cherished political, economic and social values, is to be accepted, then the solution to Jamaica’s problem is very complex.

¹²⁴ Griffith, 2003, 6.

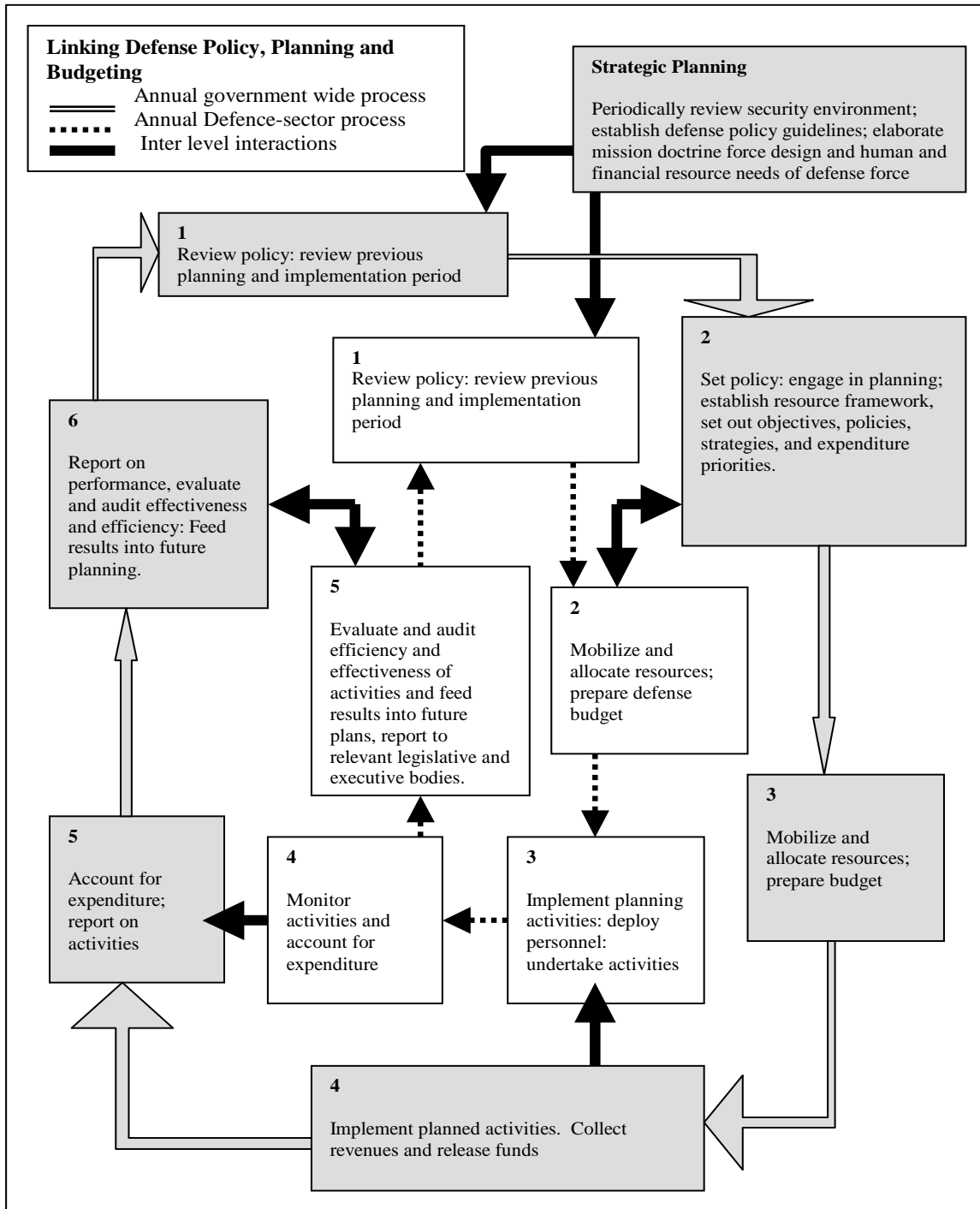


Figure 18. The Rational Budget Process – The UK's Proposal. (From Nicole Ball's *Managing the Military Budgeting Process: Integrating the Defense Sector into Government-Wide Processes*, Workshop Presentation on the Military Expenditure Budgeting Process, Accra, February 25-26, 2002)

The sheer complexity of the above process would mean that it would be difficult for those new to political office to readily grasp its magnitude. The strategic considerations involved would also mean that the entire process would have to be one that is continuous. The end of one's political term in office would not mean that the nation's outlook for its national security would automatically change. This continuation would be ensured because the strategic vision would be more futuristic in its outlook and would be geared towards achieving the long-term goals via near and medium term activities. Boex et al. (2000) argue that the process of allocating resources for the military that is typical to both the US and the UK is nothing new to them but has been worked at from in the early 1960's. They further argue that while the strategic level deals with the five and three year horizons respectively, funding is still done every year. In the case of the British they advance that the main reason why they moved to multi-year budgeting was for the purposes of policy rationalization, budgetary discipline and expenditure efficiency. In the case of the US, their multi-year budgeting came about because of the need for the current fiscal year policy decisions to be compatible with the Federal Governments medium-term fiscal projections. The authors caution that multi-year budgets are not a solution to budget issues, but rather a medium through which fiscal discipline in the public sector may be improved.

The definition of democracy that was previously given cannot be ignored. Governments are acting on behalf of the citizens and both parties have a responsibility to remember this at all times. This infers that civil society does have a role to play in the management of the government's national security expenditures. If too much security is procured then other important areas will be neglected. Equally true is the opposite. If too little security is procured, then the society risks moving into a state of total disorder with little regard for the rule of law. Growth and prosperity are not linked to disorder and as such groups within civil society such as academic institutions, think tanks, human rights groups must become involved so as to influence decisions and policies relevant to national security.¹²⁵

¹²⁵ Born et al 2003, 35-38.

Born et al argue that while governments can encourage the active participation of NGO's in public debates on the topic of national security, the said groups do have a special role even if not given. They cite the fact that because these groups do not have to rely on government for funding then they can bring about change by becoming engaged in activities such as:

- Distributing independent analysis
- Monitoring and encouraging the rule of law
- Emphasizing security issues that are important to the society as a whole and not just those of benefit to the government
- Improving parliamentary competence by providing training courses and seminars
- Providing alternative expert points of views on the governments security policy, budgets, procurements for the military etc.
- Providing feedback on national security policy decisions
- Educating the public and facilitating alternative debates in the public domain.

The NGO's can be effectively assisted in the execution of the above tasks by way of the nations media organizations. The media in a democracy is often seen as the watchdog of the people. The areas of monitoring resource allocation for national security and eventually bringing to public attention how efficiently those resources have been utilized to employ an effective military body, are their domain. This crucial link between the NGO's and the media is what is required if the correct amount of security is to be bought by a nation seeking to make the proper allocation of its scarce resources.

G. CONCLUSION

In this chapter an in-depth look at the historical relevance of the JDF as a relevant agent of the state was presented. This was used so as to establish a case that the solution to the problems of funding for the JDF is not one that can be solved by taking the courses of action often suggested for sensationalism. As such calls for the merger of the JCF and the JDF while, convincing and logical in the manner in which they are presented, are unfounded when matched up with the reality of globalization. Jamaica as a signatory to the United Nations Charter and other International agreements, is liable as a nation state to not only employ her resources for her own benefit, but also for the benefit of the global community if and when the need arises.

The case was also made that Jamaica, a developing country with need for FDI and the benefits of world trade, was compelled to play her part in terms of providing a safe and stable environment that would be attractive to investors. The creation of such an environment it was presented, had a cost, which had to be understood and borne by the society. The sheer complexity of providing for the security of a nation and its citizens, was one that required a clear strategy for addressing issues in the short, medium and long runs. These time frames it was advanced were outside of the realm of the period of time that those so elected to government could be guaranteed to hold office. As such security had to be seen as an issue that needed to benefit from the vigilant problem solving approach as advanced by Janis.

The fact that many locally commissioned studies and externally generated reports had documented the problems and consequences of crime, violence, and a breakdown of law and order over the years, meant that there was a need for the nation to move to the next step in the process. That second step called for the use of informational resources so as to enable the problem formulated at the previous step to be properly analyzed and restated. This critical step requires the use of academia, knowledgeable persons from within the society and those solicited via the diplomatic channels. Of significance is the fact that these steps are not one-time events. The business of the survival of the state and the enforcement of the rule of law and hence maintenance of democracy must be seen as an ongoing process that has to constantly re-engineer itself.

Finally, the vigilant problem solving approach to decision making culminates with the arduous task of evaluating all the options and selecting the one that gives the best tradeoff in terms of cost and value. It was emphasized that the role of the evaluating and selection phase was not necessarily so as to select the perfect option but rather so as to prevent the selection of a course of action that was based on flawed information. The example used to illustrate this was that of accepting that the nation will lose a certain percentage of its production as a result of crime and violence, and yet the nation not being willing to invest that sum or a portion thereof so as to prevent and or reduce the projected loss.

This chapter addressed specifically to the system of multi year budgeting that is used for resource allocation in the UK and the US. It did not advocate that such a system would work for a developing country such as Jamaica. Rather, it was advanced that such systems were designed to create a picture of how this years current budget fit in the bigger long term budget of the nation. In reality the lesson here is that once it is accepted that security is an issue of vital importance to the state, then it must plan for it at the strategic level on an ongoing basis. Plans for allocating resources for the defense of a nation must be intricately linked to those plans affecting all other activities to be managed by the nation.

Finally the chapter looked at how the rational budget process as proposed by the UK through DFID, can best be facilitated in a democracy. Specifically the role of non-government employed members of the civil society was given. Citizens within a democratic society must ensure that they keep abreast of what policies are implemented on their behalf. As such the model of resource allocation for national security in a nation must be closely monitored and commented on, in an ongoing manner by informed members of the civil society via the media.

VI. CONCLUSION

A. INTRODUCTION

The main problems that threaten the very existence of Jamaica as a nation state today are the current high levels of crime and violence that has been linked to the impact of the narco-trade. The leadership of the country and in particular the Honourable Prime Minister and the Minister of National Security have stated explicitly that the problem has become so grave that it has to be given priority attention. The absence of the general public's outcry to the present state of the breakdown of law and order in the society can be linked to the hands off approach it has with regards to government matters. This approach has allowed respective governments acting on its behalf to have allocated minimal resources towards expenditures associated with the nations security.

Table 1 provided data on the percentage of the governments budget over the period 1993 to 2003 that was allocated to the Ministry of National Security and in particular the allocations to the JDF. The decreasing purchasing power of the allocations over the period has meant that for the 2004/2005 financial year, some 89.2 percent of the budget allocated for the JDF is to be used for the pay and allowances of those employed to the organization. That means that the procurement of rations, uniforms and equipment, POL and training, will be severely affected. With the challenges that face the nation being as overwhelming as they presently are, it is reasonable to infer that without the input of all sectors of the society, they will not be overcome. Jamaica is very reliant on the inputs of FDI and revenue from ongoing trade with other economies. These can only grow in a secure environment. It would be reasonable to suggest that investments in the country's security interests would be the chief priority of not only those who govern but also those who have or want to have a voice in the society.

Despite the proclamations of the Prime Minister in December 2002 as to the seriousness of the challenges facing the nation, only 0.92 percentage of the last budget in April 2004 was allocated to the JDF. The raising of such a concern comes again long after the publishing of the Wolfe Report (1993), and The Report of the National Task Force on Crime (2002). There were no calls from elements of the civil society and or the

media for there to be a renewed look at that aspect of the Budget. From the premise that the provision of security for the nation is the truest form of a public good that exists in a society, this paper sought to have presented arguments for resource allocation for this subject area to be given the requisite attention that demonstrated that it was a priority issue.

B. THE CONTENTS OF THE PAPER

In chapter II the present method of resource allocation for the military in Jamaica was examined. It was pointed out that in the Jamaican context, the method of resource allocation used was a legacy of the British system that saw the Executive and Legislative arms of government not being truly independent of each other. This results in the Executive presenting its intentions for the coming year to the to the Legislative it controls, for ratification. This results in the budget as presented by the Minister of Finance being often ratified as is as opposed to being adjusted. In this type of budgeting, the greatest determinant of the current budget is that of the prior year.

The role of the JDF in the budget process was also presented and it was shown that the final submission had to undergo several adjustments until it was considered as being in sync with that bigger budget picture. Another important issue that was raised here was that while the allocations to the JDF over the period 1990 to 2003 got larger in \$'s Jamaican, the local currency, the fact that the said currency was constantly devaluing against the benchmark \$US meant that the organization had progressively less purchasing power over the period.

Chapter III dealt with the resource allocation process for national security in the select countries of the United Kingdom, the United States, and Canada. It was explained that those countries were chosen on the premise that Jamaica had had a long and continuing diplomatic and military association with them all. Additionally, from an economic perspective all three were developed countries and since it is always the intent of countries with emerging economies to copy already proven policies, then the use of the models used by those countries would be relevant. Like Jamaica all three nations selected had a democratically elected government in place. In the case of the UK and Canada,

they too had a parliamentary democracy form of government. The case of the United States differed somewhat, in terms of the clear demarcation between the executive and the legislative i.e. Congress.

The process by which resources were allocated for the military was looked at in depth for each nation. In the case of the UK and the US it was shown that the existence of a White Paper written in 2002 and a National Security Strategy written in 2002 respectively, articulated the purpose for the armed forces of both nations. It was shown that because of the existence of these clear and current mandates issued by the respective governments, then the said governments had an obligation to ensure that adequate resources were made available via the budgets, for the militaries to execute those mandates. In the case of Canada, they too had a mandate issued by way of a White Paper. However in their case that document was last updated in 1994 and as such there was a great disconnect between the role of the Canadian Forces and the resources that were being allocated by the incumbent governments. The net result as argued by Bercuson et al. (2003) was that the Canadian society was losing its ability to project its policies and beliefs beyond its shores.

In Chapter IV, a comparison was done of the Jamaican resource allocation process and that of the other three nations as per the study. It was highlighted that the primary difference was that in Jamaica there was a complete absence of a policy document issued by the government that stated the role of the military. The absence of such a document it was argued, forced the JDF to be justifying its role, which had not been changed significantly since its creation in 1962.

Chapter V was used to present arguments as to the value to be gained by a society by it taking the issue of the nations security seriously. The Machiavellian principle of the need for a nation to have good laws and by extension good arms so as to enforce those laws was presented. In offering a definition for democracy, it was advocated that the role of other members of the civil society in ensuring that the security of the nation was given the requisite attention, was commensurate with it being the purest form of a public good. This definition clarified the responsibility that the citizens of a nation had in ensuring that adequate attention was given to the provision of a secure environment for all of its

citizens in accordance with the United Nations Charter and in particular Article 43 of Chapter VII. Such involvement that was required of the citizens would ensure that the matter of the environment that the nation provided would allow it to participate in the global economy. In the case of Jamaica as an emerging economy, this would mean that the creation of a secure environment would facilitate its attractiveness as a nation for FDI and also its continuing ability to continue to earn revenue from its major foreign exchange generating product, tourism.

Finally the chapter was used to advance the ideas presented by the Geneva Centre for the Democratic Control of the Armed Forces and in particular the contents of its publication entitled “A Hand Book for Parliamentarians” (2003). The publication summarizes the role of parliamentarians in fostering the involvement of other key members of the civil society in their management of the armed forces of a nation. It also charges the influential citizens of a nation as well as the media, with the responsibility of explaining to the other members of the society, the need for investments to be made in the armed forces.

C. RECOMMENDATIONS

1. The Use of a Unified Problem Solving Approach

Within a democracy, the purpose of national security is that of upholding the laws of the land and by extension ensuring that the citizens are provided with their basic need of security from oppression. It stands to reason that the agents of the state that provide such services are in the employ of the government of the day that is elected by the people. It therefore becomes important that the said elected government ensures that it first of all sets a clear mandate for the armed forces. Such a mandate must not only exist on paper but must be kept current and relevant and must be the end product of a well thought out process that has the input not only of those who govern and head the armed forces. The security of a nation has an impact on all in the society and as such the appropriate skills of the society must be employed in the formulation of national security policy documents. The use of analytical skills, research and diplomatic liaison available both internally and externally to the nation, must be incorporated in the rational decision making process. The outputs thereof, can only serve to strengthen the type of participatory environment that will bring success to this area of vital importance to the well being of the nation.

2. The Embracing of the Issue that National Security is More than a One Time Solution Problem

The numerous studies done by the commissions and task forces in Jamaica on the issue of crime and violence have all had similar findings and offered solutions that are somewhat related. They have in the specific years of their release created an awareness of a typical issue that seldom becomes a discussion point until the next published findings of another task force. The public utterances of the Honourable Prime Minister¹²⁶ about the dilemma created upon the society by the threat of external forces involved in narco-trafficking, came several months after the published findings of the National Task Force on Crime (2002) and four months before the public disclosure of the plans for the creation of a National Security Strategy. The problems as reported by the National Task Force on Crime cannot in reality be solved with only short-term plans. Such plans will have the effect of temporarily ending the brazenness of the illegal acts being committed. Those short-term plans must be seen as the forerunners to the medium term and the long term plans to provide the nation with the type of secure environment that will result in the state being able to provide security to every citizen.

Equally important is the fact that the provision of national security is not an activity that can be seen as having an end point. It has to be considered as being one that has no end point but rather requires that a constant update of the short, medium, and long-term plans emanate from the constant revision of a National Security Strategy. Jamaica can learn a lot in this regard from the Americans. The end of the cold war did not signify that there no longer existed any threat to that nation's security. The quest to identify and destroy new and emerging threats continued as they recognized that the faceless enemy would ultimately pose as significant a risk as that of the enemy of the cold war era. In Jamaica's case, while many such as Harriot (2002) have argued, and Golding and Seaga have stated, that the relevance of a defence force in the present day Jamaica is questionable, then the issue of who will protect our borders from the present day insurgents must be raised.

¹²⁶ Boyne, August 2003.

3. The Involvement of a Wide Cross Section of the Society

The citizens of a democratic nation are still responsible for ensuring that they play an active role in the management of the affairs of the state by the government. Academia, influential business people, members of the government's loyal opposition and especially the media with its role of being the watchdog for the nation state, must ensure that they make a meaningful contribution to the resource allocation process. While it is a known fact that governments can and do change based on the wishes of the society, the said cannot be said of the citizenry of the nation. It means that from a continuity perspective, these influential members of the society must ensure that enough time, resources and effort is committed by successive government administrations so as to create a secure environment that will foster international trade and by extension the further development of the nation. This becomes very important in a time when different elements of the society with equally different agendas will be making demands for increased spending in other areas such as health, education, and communications infrastructure.

While the mandates for each successive government may change, those with influence must ensure that they help in educating the majority as to the implications for the nation if it does not ensure that a secure environment exists on an ongoing basis. The impact on the Jamaican economy if it were to be marginalized due to its inability to attract Foreign Direct Investment and visitors under the umbrella of tourism, must be explained to the society on an ongoing basis.

4. The Allocation of Adequate Resources So as to Ensure Effectiveness

The creation of plans is in reality the first major step towards identifying and or creating a solution to a problem. Once that has been done, any inaction serves to be of no benefit in terms of making a contribution. In the case of national security, advances in the world of technology has meant that those who do wish to undermine the authority of the nation state, can be better equipped and hence more lethal in their clandestine activities. While the present budget system used for the allocation of resources for the JDF from the Ministry of Finance does not allocate funds as per line item activities, it must be noted that the Ministry insists upon the system for line item accounting for expenditure.

The budget request submissions made by the JDF are based on the line item activities of the areas that covers its operation and training. The adjustments that seek to amend the total pool of allocated funds instead of the line item categories, only serves to disguise the fact that the hard choices of what to cut lies with the leadership of the military. Under such circumstances it is easy for those who allocate the resources to ignore the fact that there are fixed costs in addition to the variable ones, that cannot be arbitrarily reduced if effectiveness is to be ensured. The danger poised to the nation by way of the activities of the illegal drug trade, becomes more difficult to deal with when one looks at the number of ports and coves, that Jamaica has. The round the clock monitoring of the shores of the country whether by sea, air, and or radar requires the commitment and expenditure of adequate resources if the mission at hand is to be achieved. The inability to fuel and maintain these resources would mean that the fight against the illegal traders would be nothing more than an exercise in futility.

In the modern world, how efficiently an agent of the state uses its resources is often times the most fervent call for inquiry poised by the citizens. In the military sense, such a topic has long been associated with the way the general public views the expenditure of funds by its government. To be both effective and efficient means that an entity such as the military should have at its disposal the use of better technology and equipment that will allow it to work smarter and in the public's interest.

The decommissioning of old and fuel inefficient vessels and their ultimate replacement with new more energy efficient and better electronically equipped ones will allow the military to better protect the shores of the nation while at the said time consuming less resources in terms of fuel. It is the willingness of those in government and the wider society to accept such a trade off as being in the nation's best interest that will allow the fight against the enemy to be successful.

D. CONCLUSION

That reason for the failure of the previous initiatives in Jamaica to solve the national security issues identified is the easiest for all those who live within that democratic society to fathom. Blaming those elected to public office is always the favored option. This thesis however showed that it was not as clear-cut as that since in the final analysis, those who lead in a democracy, are empowered to execute the wishes

of the society. This suggests that the collective society has a responsibility in ensuring that the security of the nation is treated as a priority issue and that an adequate amount of resources are so committed for that purpose.

This “Vigilant Problem Solving Model” is one wherein the government will not have all the answers but must be willing to involve other persons outside of government within certainly the analytical phase of the planning. It is the belief that one of the critical needs of Jamaica is that of developing the trust, cooperation and partnership between the various stakeholders in society.¹²⁷ This is certainly not a new way of thinking and it is actually used by several countries of the developed world with whom Jamaica has had a long historical and military relationship, namely the US, UK, and Canada.

While the US is not a parliamentary democracy, the Congress legally responsible for the raising of an army and the providing of a navy, controls its power of the purse. The National Security Strategy issued by the President initiates the Planning, Programming, Budgeting and Execution (PPBE) system of budgeting used by the US. The Congressional reviews that are a critical part of the process serves to allow the nation to be satisfied that what is to be approved for defense will allow for the interest of the nation to be realized.

The British have come a far way over the years. Bipartisanship and a lack of public interest in defense meant that they could not formulate a sound security policy.¹²⁸ In their Government Expenditure Plans (2002-2003 & 2003-2004) they are clear in presenting their “Public Service Agreement” and aim for defense. The Defence Management Board used to conduct the full range of Defence Business, also comprises persons who are not to the direct employ of the Ministry of Defence (MOD).

The Canadian experience has been more interesting. Criticism of the neglect of the Canadian Forces has been blamed on the political actions that have taken place. Their present inability to operate independently of their North American neighbor, and to rotate troops in and out of an operational environment, are now of great concern to them.

¹²⁷ Ian Boyne, “*Why Jamaica Needs a Social Partnership*,” The Sunday Gleaner (Kingston, Jamaica), 29 February, 2004 [newspaper on-line]; available from <http://www.jamaica-gleaner.com/gleaner/20040229/focus/focus3.html>; Internet; accessed 29 February 2004.

¹²⁸ Chichester and Wilkinson, 1987.

How much resources a nation must allocate to national security issues is certainly not an occurrence that can be decided upon without much thought. Considerations that suggest that it should mirror the percentage of GDP other nations spend, and or it should be incrementally close to the actual prior year figure expended, are not necessarily done the Canadians well over the past twenty years.¹²⁹ The inability of that country to now properly equip its military is a major concern to interest groups in the society today.

The Geneva Centre for the Democratic Control of the Armed Forces provides a good overview of the role that parliamentarians should play in ensuring that the issue of national security is given the requisite attention. In explaining the need for parliamentarians to be involved in the process, the organization also placed great emphasis on their other role of facilitating the involvement of others from the media and other members of the civil populace, in helping to craft the security policy and then helping to educate the rest of the society as to its contents and relevance. It stands to reason that much of the nation's resources will also have to be allocated to that education process.

¹²⁹ Cooper, Stephenson, and Szeto, 2004, 15.

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